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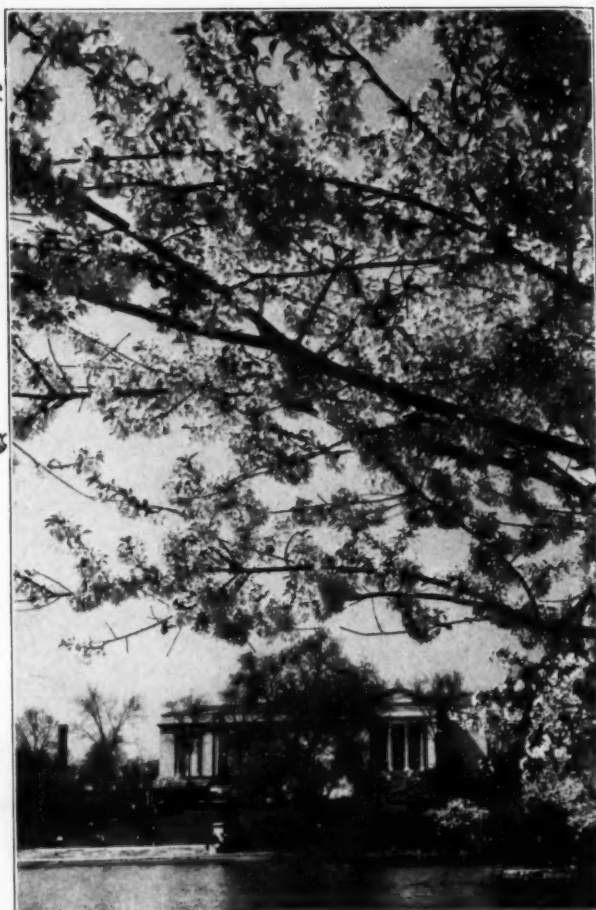
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The CREDIT WORLD

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

L. S. CROWDER, *Editor*

ARTHUR H. HERT, *Associate Editor*

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Official Notice

To All Members of the National
Retail Credit Association:

You are hereby notified that the Thirty-second Annual Business Conference of the National Retail Credit Association will be held in the City of Cleveland, Ohio, May 13-14-15 and 16, 1946, for the election of officers and six directors at large, and the ratification of directors elected by the respective districts, also the installation of officers and directors and the transaction of such business as may properly come before the meeting.

Officers Whose Terms Expire:

President, E. E. Paddon, St. Louis, Missouri; First Vice-President, Harry L. Bunker, Oakland, California; and Second Vice-President, J. A. H. Dodd, Portland, Oregon.

Directors' Terms Expiring in 1946:

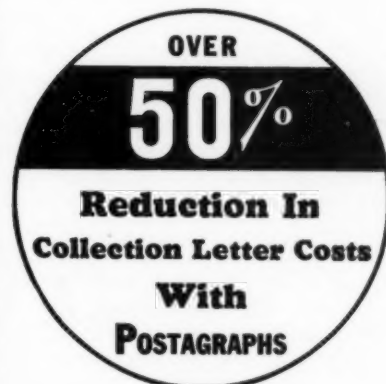
The terms of the directors for Districts 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, and six directors at large expire at the Conference. The directors elected by Districts 2, 3, 4, 5, 6, and 7, will be ratified and installed for a one-year term, and the directors elected by Districts 8, 9, 10, 11, 12, and 13, will be ratified and installed for two-year terms.

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How Credit Advertisements Influence Customer Relations

B. J. Lindberg

Credit Manager-Budget Director, Spear and Company, Pittsburgh, Pa.
Past President-Director, The Retail Credit Association of Pittsburgh

THE INFLUENCE of credit advertisements on customer relations can be better understood if a complete definition of those terms is given. *Credit* means to sell or loan on trust; to believe in the truth of a statement or in the sincerity of the customer. It is the most valuable thing in the world, for you may lose your cash but with good credit you are always wealthy. An *advertisement* is a printed public notice. *Influence* is derived from the good opinion or confidence of others, or in other words, it is the result of impressions which were created in the mind, the feeling, or the conscience of the customer. A *customer* is one who gives his custom or trade; a purchaser. *Relations* are the facts or conditions of being related.

A credit letter is a form of advertisement because letters in this category are used to reach old accounts and prospects for new accounts. However, letters to old accounts are somewhat different in tone and approach than those to new customers. In the letter to the old customer, we stress the fact that the customer's credit is already established, that she is known, and that her account is appreciated. We also point out that the preferred customer enjoys many conveniences, privileges, and acts of personal service and courtesy because she is better known in the store, and thus the store is better acquainted with her. This letter emphasizes friendliness and the ease of purchasing on the monthly or budget account.

The new account letter is very specific in its appeal, for it is directed at a specific group. For example, if we wish to reach the career girl whose income falls within a certain bracket, the credit letter can speak directly to her in her own language and influence her as no general appeal can. Every woman prefers to be treated as an individual, and it is a mistake to appeal to her as a member of a group or class. Therefore, the letter must carry a personal appeal and must appear to be personally addressed.

The old account letter and the new account letter have one thing in common; the problem of attracting attention. When we attract attention we must attract it to some specific thing, and that something is the message in the letter. The work of attracting attention is not complete until the reader's mind has been drawn to the subject of the message of the credit sales letter: credit service.

Opening of Letter Difficult to Write

A good selling letter is a good buying letter, and its opening must command the buyer's attention; therefore, it is the most difficult part of the letter to write. The most delicate and critical part is the close, as the effectiveness of this part determines, in great measure, the number of responses you will get from those who read the entire letter. The sales appeal must do more than get the attention and interest of the reader, arouse his desire, and convince him that he should make use of credit service. It must make him act! The problem of ending is to turn desire and conviction into favorable action. Credit letters, if expertly used, can exert a strong influence in good customer relations over and above the mere opening of an account.

Inserts are used to describe and sell an article of merchandise. Here, in its narrowest sense, credit is used to sell a specific item immediately, and the appeal is usually confined to the terms on which the article may be purchased. Inserts can also be used to sell the service of credit, the dependability of the institution offering it, and the philosophy of credit usage. Almost any direct mail piece, and particularly a circular, folder, mailing card, or broadside must get action on the part of the prospect immediately, or it will not get action at all. The prospect must either order or write for more information while the insert is before him or it will not produce, and its value will be of general publicity or good-will nature.

The Newspaper, An Ideal Medium

For quick action to the masses at an economical cost, the newspaper is an ideal place to sell the various appeals of credit. Stores can tell their individual credit stories to hundreds of thousands of people at one time and large campaigns that explain simply and clearly the philosophy of credit, its usefulness and its obligations, can be carried out.

Radio is another medium through which credit advertising may be carried on. Radio messages are transmitted rapidly to great numbers of people, and many who will not read an advertisement will listen to one. The human mind will retain information that it hears much more readily than that which it reads; hence the value of using radio in credit advertising is of major importance.

32nd ANNUAL BUSINESS CONFERENCE

May 13-16, 1946, Hotel Statler
Cleveland, Ohio

National Retail Credit Association
Associated Credit Bureaus of America, Inc.
Credit Women's Breakfast Clubs
of North America



A Picture of America's Economic Potentialities

Sidney R. Baer

Vice-President and Treasurer, Stix, Baer and Fuller Co.
St. Louis, Missouri

AT NO TIME in the history of economic civilization have the peoples of the world faced more imponderables than at the present time. The statesmen of the great powers now find themselves obliged to grapple with the postwar problems of Europe, the Middle East, and the Far East, at a time when the atomic bomb has blown all traditional conceptions of international relations sky high. As the entire economic transition of America is so closely tied up with world affairs, world politics, and world statesmanship, these same imponderables attach themselves to the evolution of the economy of this country. As businessmen, you should be fully cognizant of the potentialities in America, as well as the pitfalls inherent in the situation. If you do not recognize the potentialities, you will not take advantage of them. If you do not recognize the pitfalls, you will most assuredly stumble into them, and it may be most difficult for you to subsequently extricate yourself from them.

(America emerged from the war with the greatest industrial machine any country in the world has ever developed. The productive capacity of this machine is enormous. Technological progress, which always occurs during war for the purpose of destruction, is now available for constructive production. Through it, the lot of humanity may be improved.) Men everywhere should benefit over the years to come, justifying by the progress of civilization the sacrifices on the battlefields of the world, through which despotism and tyranny have been crushed, and tyrants ousted from their seats of authority. Unless sufficient purchasing power is made available this great productive machine cannot be fully utilized. If it is not fully utilized, large-scale unemployment will develop, followed by serious social upheaval and economic dislocation. For several years the potential demands in both the capital goods and the consumers' market seem to be adequate to keep this productive machinery fully occupied.) This is true because during the war years our industrial machinery has been monopolized by the demands of war. Business and industry must modernize plant and equipment which has worn out. The tremendous accumulated savings of the people are available, their owners restlessly awaiting opportunities through which these savings may be expended and life made more enjoyable and comfortable.

SIDNEY R. BAER gave this address before a joint luncheon of the Greater Little Rock Chamber of Commerce and District Seven, National Retail Credit Association, Little Rock, Arkansas, February 19, 1946.

The housing shortage is acute, and it is estimated that some twelve to thirteen million houses must be built during the next few years to take care of housing needs. The great urban communities throughout America are all developing over all plans for the future in order to keep pace with changing requirements of living and new horizons of city planning. This, alone, will mean the expenditure of many billions of dollars.

This void in the capital and consumer needs, however, will sooner or later be satisfied, and when this occurs, *what then?* I have a strong conviction that the fallacy which causes so much dislocation in the economics of a nation or, for that matter in a business, is short-term planning instead of long-term thinking. Building peace requires much vision, and as much moral stamina as waging war. Perhaps it requires even more, because it is laborious, painstaking, and undramatic. It requires patience and application.

Fallacy of Short-Range Planning

(To those of us who lived through the orgy of inflation during the 1920's and its aftermath of deflation during the 1930's, this fallacy of short-range planning and lack of vision is evident.) In the beginning of that era people thought that the economic Utopia was at hand, and permitted this fallacious philosophy to dominate their thinking. Those who permitted this belief to shape their fiscal policies, whether as individuals or as the leaders of business or industrial institutions, lived to see their optimism fade. (Fundamental influences today are even more inflationary than they were then, which is always a dangerous thing.) Our government has financed war expenditures through credit financing, which has created enormous bank deposits. So much money is available as a result of this method of government financing that if the velocity of turnover of this money in the banks is accelerated, the threat of serious inflation may become an actuality. Indeed, it is already an actuality.

A sound economy must, therefore, be developed as a bulwark against the collapse which inevitably follows a period of inflation. Much of the so-called wealth of the people is in reality not wealth at all, but merely paper profit. (War does not create wealth, but destroys it.) Therefore, there is no justification in assuming that after four years of the greatest conflict in history the world's goods have grown greater.

(If we are to take advantage of the potentialities of America we must be fully cognizant of them. It does not follow that in the taking advantage of them we should again fall into the abyss of overexpansion, whether this overexpansion is in the form of capital expansion or unwise extension of credit. Both forms of overexpansion

sion invariably go hand in hand. This danger is always present in boom times, because great numbers of people evaluate the future emotionally rather than objectively.

It is difficult to state at just what point the line of demarkation should be drawn which would divide reactionary business thinking which stifles opportunity and progress from radical business practices or policies which ultimately prove unprofitable. There are so many elements and influences present that a man must be omniscient if he could intelligently draw such a line in the exact place. It is my purpose merely to sound the warning, thereby encouraging study and analysis. Economic America must develop a sound business program through which permanent prosperity may be developed.

Increase in Population

The increase in the population of America in recent years amounts to approximately 17 million people. Furthermore, family incomes in the lower brackets have increased materially, and this in itself increases and diffuses purchasing power. This is a promising picture. However, to offset it is the fact that technology has advanced, resulting in a situation wherein a given amount of production would not require as many man hours as formerly.

The permanency of prosperity in America is dependent upon two fundamental factors; one domestic, the other foreign. Purchasing power must be maintained at a high level. Certainly the workers of the country should be well paid for their labor, and pay rolls of industry should be widely distributed among as many people as possible. Industry must also be profitable or the colossal debt of our nation cannot be presently serviced and gradually reduced. In fact, it would be increased at a time when federal expenses will necessarily remain high. Industry must recognize that it is functioning today in a different social era than formerly, and shape its employee relations policies accordingly. Labor leadership must recognize that the organizations which it represents must be responsible, so that the inviolability of contracts between labor and capital will be mutual. The administration must take the lead in preventing class conflict. Those upon whom this responsibility rests must, in the role of statesmen, think not only of the day but of the future. Selfish political influences can easily prove ruinous to any country, no matter how great are its material resources. What happened in France, at the beginning of World War II, illustrates this danger.

Freedom of enterprise and private initiative in America must be preserved. A sound economy can be developed only from the roots. Government domination could only lead to Fascism, and Fascism can only result in catastrophe and the destruction of human liberty, because concentrated excess power and the assumption of infallibility in government always results in the abuse of that power by the men who wield it.

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*

It does not follow, however, that the machinery of government in this complex industrial age should not be utilized to protect the people, and the natural resources from exploitation nor fail to develop a broad social program to insure security in sickness and old age. To do so the government must be the servant not the master of the people it serves. A virile national leadership is essential to the accomplishment of this objective.

Now let us turn to a consideration of the international situation. Foreign trade must be stimulated and developed. Therefore, outside and beyond the humanitarian reason to take an interest in world affairs through which the substandard of living of millions of people may be elevated, it is imperative for our nation to play a vital role in world leadership and, of course, to shoulder responsibilities which are a part of the assumption of such a role in world affairs.

In India and China alone there is a population of approximately 700 million people who can serve as a great potential market for America. Add to this number 200 million Russians and we see nearly one billion souls who are underfed, underclothed, and underhoused, extending their hands to America for industrial support; a potential market which should bring sound and permanent prosperity to America.

How quickly and thoroughly these markets may be made available to America depends upon world politics and, above all, upon world statesmanship. These are the great imponderables. Their solution is dependent not only upon the leadership at Washington, but upon national leadership in the other great countries throughout the world, particularly the leadership at Moscow.

Just as America can no longer confine her interests to this hemisphere, business and industrial leaders cannot confine their thinking and activities to the communities in which they live. As Washington must influence the thinking of London, Moscow, and Chungking, so St. Louis, Kansas City, Little Rock, and Dallas must influence the thinking of Washington.

Credit of the Nation Must Be Rebuilt

Tremendous problems must be solved. The credit of the nations throughout the world must be rebuilt in order to stimulate American industry to seek foreign outlets for its products. In many countries there is available only the moral fibre of the people to start with, but good moral character is often better than a fairly strong balance sheet. International trade cannot thrive on barter. The Rothschild family recognized this in the early part of the 19th century, and through their foresight international banking was developed, and business can be transacted over the wire, through credit. For America to utilize the vehicle of credit to aid countries with which we wish to do business in order that wide markets may be created to absorb our production, is very sound and practicable, not just a Utopian philosophy.

Because of the dislocation of the economies of the world a sound international currency system must also be developed, so that the businessmen and industrialists in one nation may sell to those in another nation, and know ahead of time in what kind of money they will be paid for their goods. Without a stable currency day-to-day fluctuations in currency value due partly to the

inflationary influence present throughout the world would make the development of a free international business intercourse impossible. For this reason it is essential that the United States help England work out her present financial difficulties. Otherwise, a sterling block will develop in Europe, and a dollar block in this hemisphere and in the Far East. This would be a most unfortunate transition.

Trade barriers and cartels must be eliminated if confidence between countries is to be restored, and unfair trade advantages are not to be capitalized upon, for these practices in the long run would prove ruinous to all nations. Reciprocity in business relations is essential to prosperity and without prosperity the world cannot have peace. If goods and services do not freely cross borders, soldiers with guns will.

Government Owns All Industry in Russia

The Russian economy is such that the government owns all industry. Therefore, if Russia determined that she wanted to develop the steel industry first, the leather industry next, etc, she could do so by underselling all other nations whose economy is built upon private ownership and private industry. The government of Russia could absorb the losses in these individual fields one at a time for as long as necessary to build up industrial supremacy in each individual field. However, the Russian administration and the Russian leaders realize that this would be a shortsighted policy because by so doing they would make it imperative for other countries to protect themselves against such a policy by erecting, through tariffs, trade barriers by which the policy could be neutralized. However, if Russia feels that this country does not trust her, and if the statesmen of the world do not lay their cards on the table, face up, and have confidence in each other, complications are bound to develop.

Business and industry will stagnate throughout the world because of the lack of an adequate outlet for production. Such a situation could only lead to inflation and repudiation of the national debt through the deterioration of the currency not only in America, but in all other nations. Public spending on the part of the government would follow, if for no other reason than to prevent wide-scale unemployment which would necessarily go along with the stifling of international trade. The social tempo of the people today is such that wide-scale unemployment would not be tolerated under our present capitalistic economy.

Every War an Economic War

Almost every war in the history of civilization has been basically an economic war whether for reasons of national propaganda it has been characterized as a holy war, or given some other altruistic motive. When people are hungry and cold and insecure, and when they do not have medical attention when sick, and reasonable security in old age, economic stability is not present. The temperament of the people is such that ambitious men can utilize this discontent for the furtherance of their own ambitions. Whatever shortcomings Franklin Roosevelt may have had as administrator, and granting that frequently the technique which he employed for the accomplishment of his aims was faulty, he fully realized

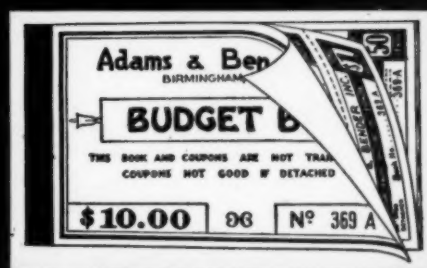
this fundamental economic truth, and if for no other reason, he will go down in history as one of our great presidents.

(As businessmen interested in the promotion of your individual businesses, and interested in developing wide markets, you must take a vital interest in the economic and political picture. The whole fabric of business is a part of the pattern of national and world economy, and a part of the pattern of national and world politics. Do not follow the philosophy of people who advocate that it is safe to assume that when you delegate someone to do a job that job is finished and finished to the satisfaction of everyone concerned.) It is at that time that leadership is necessary, and in this democracy where leadership is formulated according to the dictates and wishes of the whole people apathy on the part of the people is dangerous; in fact, it is tragic.

The strength of a democracy is also its weakness. Eternal vigilance is the price of freedom, and without it a democracy of 140 million people cannot be effective. If we as businessmen fully recognize this solemn responsibility, our nation will lead the peoples of the world out of the wreckage of this great conflict through which we have lived in recent years. We will enter into an era of hope, good will, and social enlightenment, through which the sacrifices of our armed forces on the battlefronts may be consecrated, and wherein the philosophy of the Four Freedoms of the Atlantic Charter may prove to be not a dream, but an actuality. *It will be an era in which atomic energy will become a great blessing rather than an instrument to destroy Mankind.* ★★★

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Pirates With Pens

Frank J. Wilson

Chief, United States Secret Service

DO YOU CASH checks in your business? Do you receive checks by mail? If you do, look out for the pirates with pens—check thieves and forgers!!

Murder always hits the headlines. Killers, bank robbers, burglars, and firebugs flash across the front pages in a parade of crime which drains the dollars from your pockets in a rushing stream. They are the outlaws you constantly guard against by locking your doors and taking other precautions to prevent the crimes you read and hear about.

But there is another crime which seldom makes big news. Though not spectacular, not glamorous, it strikes at American homes and business through the citizen whose gullibility lays him open to losses he can ill afford. That is the crime of check forgery, and it is perpetrated by a modern outlaw whose sneaky tactics require no guns, no violence, to inflict these losses and other hardships upon his victims—upon YOU.

The United States Government issues some 300,000,000 checks every year. Most of these are sent by mail to families and other dependents of soldiers and sailors as allowances and allotments, and to Social Security beneficiaries, farmers and others. Many are also issued to ex-soldiers as mustering-out pay, and to war veterans for compensation and rehabilitation. Whenever one of these checks is dropped in a mail box it provides a criminal opportunity for the slick check forger. Of all the Government checks which are forged and fraudulently negotiated, some 70 per cent are checks which have been stolen after being deposited by the letter carrier in your front hall or in a private letter box.

When a Government check bearing a forged endorsement is negotiated, it is investigated by the United States Secret Service, a branch of the Treasury Department. By the time the investigation is made, the harm has usually been done. The check has been stolen from the family which needed it and some banker, grocer, butcher or other retail merchant has cashed the check for a presentable, but crooked, stranger and lost the money involved. It happens many times every day.

In St. Louis, for example, a woman in black went to a florist's shop and ordered fifteen dollars' worth of flowers to be sent to a certain address. In payment she offered a sad look and a Government check for \$50. The florist deducted the \$15 and gave her \$35 in change. The address she gave proved to be a vacant lot and now it's the florist who has the sad look—and the flowers.

In Brooklyn, a 12-year-old boy went into a chain grocery store near the Brooklyn Navy Yard. He handed the merchant a list of groceries to be purchased, and a Government check for \$150. The boy explained that he and his parents had recently moved into the neighborhood; that his father was employed in the Navy Yard and had received the check as wages, and that his father and mother had sent him to the store for the groceries. The grocer looked at the endorsement and amount. He hesitated, but only for a moment. He gathered the groceries listed and handed them to the boy along with \$146, cautioning the youngster to guard against losing so much money on the way home. A week later, when the endorsement on the check was declared a forgery, the manager had to pay the chain grocery company \$150.

If that store manager had asked the boy to write the name appearing on the check, he would have seen that the first endorsement was in the same childish hand and he would have known that the boy had forged the signature. Then he could have taken the youth home to his parents, where a wise fatherly hand might have administered a licking—a licking which would have been far better than a term in a reformatory.

The Evils of Bad Check Passing

The evils which are thus caused, often unconsciously, were recognized by the Honorable E. Martin Underwood, United States Judge for the Northern District of Georgia. In a charge to the Grand Jury in Atlanta in October, 1944, Judge Underwood said:

These (forgery) offenses have become more common during the war period due to the fact that the Government has had to issue such a vast number of bonds, checks, and other obligations, and to the fact that merchants and business men have been inexcusably lax and negligent in cashing them without proper endorsement and identification of the holders. Such carelessness has afforded temptation and opportunity, especially to the young, to commit crime, and the result has been a great increase in juvenile delinquency in this form. Those who are asked to cash these obligations should realize that it is not only the small amount they lose that is involved, but is also and principally the *character damage* that is occasioned, if not caused, by their thoughtlessness and negligence. While the offenders are sought out and punished, those who furnish the opportunity for such dereliction should awake to the realization of their part in the transaction and as a preventive, see to it that no obligation is cashed without proper endorsement and identification.

In some parts of the country where youthful check forgers were brought into the courts, the presiding judges were quite severe in their criticism of the merchants in cashing checks for juvenile forgers. Because of the ease with which the small Government forged checks can be cashed, it undoubtedly encourages the juvenile amateurs to try for larger stakes and eventually some of them become the professional forgers who cause business many millions of dollars in forgery losses each year.

Recently a man walked into an Ohio bank and asked a teller to cash a Government check for \$652. The check was made payable, say, to John C. Berman. The

teller asked the man to endorse it. The man wrote on the back of the check the name "J. C. Bermos." Had the teller compared the endorsement with the name on the face of the check he would have noticed the difference immediately. But he didn't compare them. He merely glanced at the endorsement and paid out \$652, and when the check was later found to be a forgery the bank had to make good that amount. A month later, when the Board of Directors of the bank was considering applicants for appointment to a branch managership, they passed over the name of that teller. Like so many others, the teller found that the class yell of the School of Experience is "Ouch!"

The general rule is that the relationship between a bank and its depositor is that of debtor and creditor. The bank should pay only on a properly authorized signature of the depositor to the person designated by the depositor when he places the name of the payee on the check. However, the general rule is subject to modification and limitations so that certain obligations and duties fall on the depositor with regard to handling checks. It is the depositors' duty to use care in drawing checks. He must give prompt notice of forgery. If there is litigation between banks and their depositors to decide who is at fault, regardless of who is successful in the action, both must bear the expense of legal fees, and the loser in addition must stand the loss. While in the case of the Ohio bank the loss had to be borne by the bank, nevertheless there are many cases where the depositor is the loser.

Case histories like these fill the files of the Secret Service, which is now engaged in a nation-wide Crime Prevention Program. An important factor in this program is its "KNOW YOUR ENDORSER" campaign to outwit the check thief and forger, with the help of his potential victims. With the encouraging approval of the Secretary of the Treasury, the Secret Service is asking only that merchants and others who cash checks take simple and reasonable precautions to protect themselves against forgery losses. In general, these precautions may be summed up in five words: "KNOW YOUR EN-



Since FRANK J. WILSON became Chief of the United States Secret Service in 1937, the Service has embarked on an unprecedented campaign of civic education, first in New York, then throughout the country in an effort to make the public counterfeit conscious. The results have been beyond expectation. Confiscations have steadily decreased until during the past year only \$28,852.07 representative value in counterfeit notes was received throughout the country. The **KNOW YOUR MONEY** campaign has developed into a full-time, permanent feature of Secret Service policy. The Chief has now set for a goal the total elimination of counterfeiting, and a gradual reduction in the volume of Government check forgery losses. His program shows every promise of being successful so far as concerns the jurisdiction of his service. This article, **PIRATES WITH PENS**, is being published here in cooperation with Leo A. Smugai, Agent in Charge, United States Secret Service, St. Louis, Missouri.

DORSERS—REQUIRE IDENTIFICATION!"

This pertinent warning is the basis for the attack against the check thief and forger, and it is printed prominently at the bottom of the face of all Government checks. The Secret Service, realizing that an all-out fight against this type of criminal cannot be confined to Government checks alone, has secured valuable active support from local police, bankers, and other business men in fighting this common enemy, the check thief and forger. Manufacturers, industrial corporations, surety companies, insurance companies, banks, wholesalers, retailers, and others using commercial checks have been persuaded to use this important warning. Many firms issuing more than 1,000,000 checks annually have adopted it, and it will probably appear on some 500,000,000 checks soon.

Basically then, "KNOW YOUR ENDORSERS—REQUIRE IDENTIFICATION" is the advice to be followed by those who want to avoid losses through acceptance of forged checks. This does not mean that a retail merchant should display a sign in his store with words in foot-high letters reading: "WE DON'T CASH CHECKS." If there is a sign it might read: "THE U. S. SECRET SERVICE AND OUR POLICE DEPARTMENT HAVE CAUTIONED US TO ASK FOR PROPER IDENTIFICATION BEFORE CASHING CHECKS." Or, "PLEASE DO NOT ASK US TO CASH YOUR CHECKS UNLESS YOU CAN IDENTIFY YOURSELF PROPERLY."

Here are the precautions suggested by the Secret Service for those who cash checks:

1. **KNOW YOUR ENDORSER!** When any stranger asks you to cash a check, insist that he properly identify himself as the payee of that check!

Do not accept Social Security cards, lodge cards, gas or electric bills, or other mail matter, as proper identification. Many check thieves steal whatever other mail may have been in the box with the check, to be used as identification. In some instances, thieves have actually paid utility bills for small amounts, so that they may present a receipted bill in representing themselves as the owner of a check in the same name.

2. Before you accept any check, ask yourself this question: IF THIS CHECK IS RETURNED AS A FORGERY, CAN I LOCATE THE FORGER AND RECOVER MY LOSS?

If you are thoroughly satisfied that you can later find a stranger who asks you to cash a check, you are reasonably safe. If you are not sure, be careful!

3. If a check is already endorsed when it is presented to you, insist that it be endorsed again in your presence, and compare the handwriting.

4. Have each check initialed by the employee who pays out money for it.

The cooperation of the public in the Secret Service Crime Prevention Program has resulted in a 33.3 per cent reduction in forgeries of Government checks since the advent of the "KNOW YOUR ENDORSER" campaign, and with the continued assistance of all concerned the number of forgeries of all types of checks can be substantially reduced. If you cash checks in your business, or if you receive checks by mail, YOU are the potential victim of the check thief and forger. Only by exercising reasonable care to protect that which is yours can you help the Secret Service and your own police department haul down the "Jolly Roger" of the pirates with pens.

★★★

Credit Don'ts

1. Don't extend credit without first obtaining a complete credit report on the applicant.
2. Don't extend credit on a "hunch" or the fact that you are acquainted with the applicant, or he has been a cash customer.
3. Don't make a partial check by telephoning or writing references furnished by the applicant. Naturally, in most cases, he will be in good standing with such firms. A complete credit report, in the long run, will prove the cheapest and you will be assured of good and bad information alike—a true picture of the applicant's record and ability to pay.
4. Don't withhold information from your Credit Bureau longer than is required to check your records. It slows up the service of the Bureau and the inquiring member and makes for extra handling by all concerned. This increases the cost of Bureau operation and additional costs must be absorbed by all members.
5. Don't extend credit in the face of unsatisfactory information, because you may feel that the customer will pay you—that you are a better collector. It just doesn't happen that way often enough to warrant the risk involved.
6. Don't show your feelings in collection letters to customers who have ignored previous requests for payment. Judgment and diplomacy are required in handling collections and particularly so with such customers.
7. Don't threaten to take certain action and then back down. Don't threaten until you mean it and then follow through in accordance with your letter.
8. Don't permit past-due accounts to run indefinitely. If you are unable to make collection within four and not more than six months, other steps should be taken. The longer you delay action, the more difficult the collection. Usually collection fees are based on the age of accounts and collection prospects are brighter in the early stages of delinquency. Therefore, you save money when such accounts are promptly placed in the hands of the collection department of the Credit Bureau or the agency used by you for this purpose.
9. Don't delay closing accounts of slow-paying customers or those who overbuy and cannot be educated to pay according to the store's terms. Your bad debts are largely made up of accounts in the two categories, plus those on which credit was extended without sufficient information.
10. Don't fail to attend meetings of your local association. Discussions at such meetings and becoming better acquainted with your fellow credit granters will pay dividends to you and your firm.
11. Don't fail to read every article in The CREDIT WORLD each month. You never know when you may run across the very idea you are looking for. Systematic reading of The CREDIT WORLD will keep you abreast of the times in the retail credit field, is educational and broadening. It will make you a better credit manager or credit assistant.



Credit Granting in Australia

IN AUSTRALIA the manufacturer, wholesaler or jobber sells to the retailer, and in some instances to the consumer direct. Sales are usually made on a 30-day basis, but in some instances invoices are marked, "Prompt Cash." During the war years, the practice has been to sell for cash on delivery or seven days net cash. A discount of from 2½ per cent to 3¾ per cent is sometimes allowed. A discount of 2½ per cent is usually given on 30-day accounts, and occasionally the payment is net without a discount.

Retail stores have their own credit departments, and sell their goods on a monthly or installment basis, payments extending over a period of several months. Owing to a shortage of stock and manpower, and the induction of many customers into the armed forces, installment credit has decreased during the war years. Retail stores collect their own accounts, and refer old past due accounts to a collection agency.

Cash order firms are financial houses who issue cash orders for amounts of £ 1. up to £ 10. on their own account after being satisfied as to the ability of the applicant to repay the amount. Such orders are accepted and treated as cash by most retail stores, and once or twice a month they return the cash orders to the company which issued them together with a statement of the total amount. This amount is paid to the retail store, less a discount of 10 per cent (at present fixed by law). The retail stores are then clear of all responsibility, and the cash order company collects the amount from the client.

In the City of Sydney there are numerous cash order companies in opposition to each other. This system is intended for the small purchaser of clothing or any item up to £ 10. Household appliances, furniture, automobiles, refrigerators, etc., are sold by the retail stores and dealers, and if credit is required, these transactions are given to finance houses. These houses are operated in the same manner as the cash order houses, but deal in higher priced lines. Contracts are made out and discounted by the finance houses, the proceeds are paid to the seller less a percentage, and the amount collected by the finance house from the buyer. Although the seller is reimbursed, less a percentage, he signs an agreement making himself responsible to a certain degree until such accounts are fully collected by the finance house; however, in using cash orders the responsibility of the retail store ceases immediately after the amount is paid by the cash order firm. This difference in terms exists because the cash order house introduces the customer to the retail house, whereas the retailer introduces the customer to the finance house. Thus it is necessary for the retailer to sign a guarantee of responsibility as protection to the finance house.

In most large cities in Australia mercantile agents will supply credit information on request. In some cases a yearly membership fee is charged, allowing for a certain number of inquiries with an additional charge for further reports. Other agencies make a direct charge for services rendered. One recording house will supply information which has been recorded over a number of years to retail firms upon request. We have collection agencies which specialize in collection of past-due accounts, but these seem reluctant to infuse modern ideas or to energetically follow up accounts handed to them for finalizing.—Alan W. Crooks, Lowe's Limited, Sydney, Australia.

What Is the Most Important Credit Problem for 1946?

Opinions of Store Executives

Credit restrictions are at a minimum and will be that way for some time to come because after the credit granter has one electric refrigerator, or one suite of furniture for which he has more than one buyer, it is his problem to select the best credit. This is, and will be the case for some time. It would be ridiculous to offer all kinds of terms in a market like this, or in a market like we believe we will have for the next five years.—Louis F. Schlueter, President, The Alms and Doepeke Company, Cincinnati, Ohio.

The greatest credit problem in 1946 will be the holding in check of credit terms. If Regulation W is lifted or altered, there is every possibility that some stores may be overzealous in their desire to increase credit sales, and may let the bars down on terms. We have divided our stores into groups by lines, and we are endeavoring to draft a uniform credit policy. This policy is to embody minimum payments and maximum time for payment. We are hopeful that a workable community credit policy acceptable to at least the majority of the retail stores may be developed and adopted.—L. R. Pearce, Secretary-Treasurer, Frankel's, Des Moines, Iowa.

During war years, with employment and pay rolls at peak levels, the granting of credit and the collection of accounts were greatly simplified. High standards of efficiency in operation were unnecessary in order that satisfactory results be obtained. The transition from a war to a peace economy will require economic adjustments by many people, and an improvement in practice and procedure on the part of credit granters is essential.—T. L. Robinette, Superintendent, The Robert Simpson Company Limited, Toronto, Canada.

We must not continue to rely on Regulation W in 1946 to cover our mistakes in granting credit. We need credit executives who are qualified to properly analyze every situation. There is no set rule that fits every situation—every applicant must be weighed and approved on the merits of his or her individual background. Regulation W should be abolished and a sound credit policy should be adopted. Down payments and terms on durable goods should be fitted to the individual case.—J. W. Strawn, President, Liberty Loan & Realty Co., Little Rock, Ark.

Opinions of Credit Executives

With the outlook good for more merchandise in the early part of the coming year, and with the demand strong for merchandise of every description, the greatest problem confronting credit granters will be to pay strict attention to Regulation W, and not allow the desire for volume to overshadow safe and sane credit. The bureau will mean more to credit granters than ever before, and all credit applications should be cleared through the bureau.—K. W. Story, Manager, Credit Sales Department, The Christman Dry Goods Co., Joplin, Mo.

The most important credit problem confronting our association in 1946 is the matter of properly processing credit applications and the granting of credit to a large percentage of our returning veterans. Every credit executive must be thorough and alert in dealing with both the customer and the company. Applicants should be carefully interviewed and investigated, and credit should be granted within the boundaries of sound credit principles.—William V. Summers, Credit Manager, Grinnell Brothers, Detroit, Michigan.

The most important credit problem confronting the credit granter in 1946 will be to trace skips. In other

words, war workers who have lost their jobs and have departed for parts unknown, omitting to leave a forwarding address. Also former servicemen or their wives who contract accounts and who skip.—James Wilson, Credit Manager, Denholm & McKay Co., Worcester, Mass.

Regardless of the fact that 1946 will show increased production in all forms of merchandise sold on consumer credit, the thing that troubles the far-seeing credit executive is whether or not we are beginning to see the advent of a decidedly un-American way of doing business. We will be tempted, and perhaps overwhelmed by the increase of sales, both cash and credit, but we will also be disturbed by the forces that are at work now trying to undermine the sanctity of contracts. That applies to contracts for sales between the customer and the store, agreements between the manufacturer and the distributor, and agreements between management and labor.—Frederick W. Walter, Credit Manager, The Bailey Co., Cleveland, Ohio.

The most important 1946 credit problem is the credit executive. Most credit granting problems are not new. Changed conditions are easily adaptable. In 1946 the tendency to overbuying will present a major problem. The credit executive who has confidence and intelligence will have no difficulty in adjusting to changed conditions.—Edward A. Wright, Credit Manager, Savannah Electric and Power Co., Savannah, Ga.

We enter 1946, a year of peace, after years of fear and chaos, full of hope for a new and better world. The picture for the credit executive, however, is muddled. One of the principal credit problems will be that due to labor unrest. In my opinion, strikes will prove a major problem in the extension and control of credit, at least during the early part of 1946.—Lewis B. Skinner, Credit Manager, Wm. H. Roberts & Sons, Indianapolis, Ind.

The credit granter will be called upon to equitably distribute the heretofore scarce merchandise and the new products coming into the markets during 1946. This will require judgment to protect the buyer as well as the seller against unwise extension of credit. Ways for accelerated credit approvals, particularly to new customers, should receive serious consideration.—C. E. Wolfinger, Credit Manager, Lit Brothers, Philadelphia, Pa.

There are many problems confronting credit management during 1946, but there are three that are the most important. We should re-educate our office personnel to render the kind of service that our charge customers have not always been getting during the war years, and to which they are entitled. We must handle the returning veterans in such a manner that they will become friends of the store instead of enemies, although it is sometimes necessary to refuse them credit. We must also revive the accounts that have become inactive during the past few years, and to resell them on the idea of using their charge accounts instead of buying for cash. A cash customer is anybody's customer, but a charge customer, if properly handled, is your customer.—S. L. Weisskerz, Director of Accounts, The Union, Columbus, Ohio.

During the past several years the average person has been paid more than ever before, and many people from our city have gone to other places to work. These people are going to drift back during 1946 and ask for credit. I think that the extension of credit to these people and returned veterans constitutes one of the greatest problems for the credit granter. The person who has stayed at home and has a record for prompt paying does not present a problem.—P. G. Wright, Credit Manager, W. L. Hailey & Co., Nashville, Tenn.

NATIONAL MEMBERSHIP ACTIVITIES

New Members

The membership of the National Retail Credit Association is now the largest in its history. The total membership as of February 20 was 17,825, a net increase of 1,232 over the year ended May 31, 1945. The total new members received by districts, from June 1, 1945, to February 20, 1946, are shown below. The cities organizing new national units are also listed.

District No. 1	50
District No. 2	175
Camden, New Jersey	26
Elmira, New York	41
Watertown, New York	12
District No. 3	52
Greenville, South Carolina	14
District No. 4	114
District No. 5	138
District No. 6	60
District No. 7	201
District No. 8	82
District No. 9	62
District No. 10	365
District No. 11	142
Honolulu, Hawaii	53
Redlands, California	17
District No. 12	220
District No. 13	44

Associate members not included.

Membership prizes will be awarded at the 32nd Annual Business Conference to be held at the Hotel Statler, Cleveland, Ohio, May 13, 14, 15, and 16, 1946. They are:

\$50.00 Victory Bonds

For reporting the greatest number of new members a \$50.00 victory bond will be awarded to the District Chairman and Local Chairman.

\$25.00 Victory Bonds

For personally securing the greatest number of new members a \$25.00 victory bond will be awarded to members: (1) man; (2) woman. A \$25.00 victory bond will also be awarded to: (1) the President and Secre-

tary of the local National unit making the greatest membership gain on a percentage basis; (2) the person organizing the first local National unit for the current year; and (3) the Credit Manager and Bureau Manager or Bureau representative for outstanding membership work.

Gavels

Gavels will be awarded: (1) to the first local N.R.C.A. Unit organized in the current year; (2) to the local Association making greatest percentage gain in N.R.C.A. membership; (3) to local Associations in cities up to 25,000 organizing a National Unit of 10 or more members; (4) to local Associations in cities 25,000 to 50,000 organizing a National Unit of 15 or more members; (5) to local Associations in cities 50,000 to 250,000 organizing a National Unit of 25 or more members; (6) to local Associations in cities 250,000 to 500,000 organizing a National Unit of 50 or more members; (7) to local Associations in cities over 500,000 organizing a National Unit of 75 or more members; and (8) to the largest National Unit organized in the United States and in Canada during the current year. ★★★

Membership Notes

R. E. Buckingham, Nashville Retail Credit Bureau, and a member of the membership committee, Nashville Retail Credit Association, has personally secured 58 applications for membership in the National Retail Credit Association. The Nashville Association, which is two years older than the National, has the distinction of having the largest National unit in the South.

On February 22, E. Bland Cresap, General Manager, The Credit Reporting Company, Colorado Springs, Colorado, reported 40 additional National members.

In a letter from G. Don Smith, Manager, Credit Bureau of Montreal, Ltd., he stated that applications were obtained for 20 new National members at a recent retail night meeting of the Montreal Association. He anticipates securing a much larger number of members in the Spring.

Registration

Registration Fees:—Delegates \$10.00. Wives, families and guests \$5.00.

Name of Individual.....

Date of Arrival.....

Name of Firm.....

City and State.....

Will attend sessions of.....Group.

Time of arrival.....A.M. P.M. By Train ☐ Plane ☐

Auto ☐ Bus ☐

Will Wife Attend? Yes ☐ No ☐ Her Name.....

Check Enclosed ☐ {for...\$10.00 registrations—\$ Total

{for... 5.00 registrations—\$ Total

Grand Total \$

Mail to: Credit Bureau of Cleveland, Inc., 500 National City Bank Bldg., Cleveland 14, Ohio.



CLEVELAND-THE CONVENTION CITY

CLEVELAND'S unexcelled facilities, its valuable experience gained through years of serving large and small conventions and its location make it an ideal meeting place. Tempered in summer and winter by the lake breezes, the climate is always pleasantly moderate.

Accessibility. With half the population of the United States and Canada living within an overnight's ride, maximum attendance is a regular report at Cleveland conventions. Every means of transportation, air, motor, water, and rail, is available to bring you to the city. During the lake navigation and air travel season it is particularly pleasant to make the trip by steamer or plane. All air and water schedules are synchronized with railroad schedules to and from all important centers so that your journey always requires the minimum of time and effort.

Splendid Hotels. Cleveland's hotel accommodations for its many convention visitors are splendid. Six hotels alone have 4,500 rooms, each with private bath. Designed for conventions, modern and well equipped, these hotels assist materially in making Cleveland conventions successful. Numerous assembly, banquet, and conference rooms are always available. Aside from the hotels mentioned above, there are many other beautiful hotels which make it possible to house the country's largest conventions. An important feature in the larger hotels is the location of the meeting rooms. None of these are located higher than the mezzanine floor, relieving the convention visitor the annoyance of congestion at elevators. The hotel managers welcome conventions and strive in every way to cooperate with conventions officials and committees. A price policy is adhered to and both room rates and restaurant charges are never increased regardless of demand. The desire on the part of the hotels to please their guests has been one of the outstanding reasons why Cleveland has built up so enviable a reputation as a convention city.

Recreation and Entertainment. Cleveland offers a great variety of recreation. In summer there is the great park system, swimming in Lake Erie, golf, tennis, American League Baseball, and numerous summer resorts. Playhouse Square (shown on this page) presents the highest grade of legitimate plays, vaudeville, and sound productions. Twelve thousand seats are available in this theatrical district alone.

One of the most famous shopping streets in the world is Euclid Avenue, with its array of fine shops. Their attractive and artistic window displays and their interior decorations are always of interest. Cleveland's wide streets and broad sidewalks have been an important factor in its success as a shopping center. No large city in the United States is better equipped to handle large crowds of shoppers. The shops themselves have wide aisles, easily accessible stairways, elevators, and escalators, all of which facilitate shopping. The efficient arrangement of merchandise for which Cleveland stores are noted make the shopper's task easier.

Cleveland's many other attractions include beautiful residential sections, great universities and schools, interest-

ing museums, and historical points of interest. Above all, visitors to Cleveland find a spirit of friendliness and they carry away pleasant memories and a desire to return.

Beautiful Parks. Cleveland's park and boulevard system is unrivalled by any city in the United States in its picturesque natural beauty. Deep ravines, waterfalls, fine old forests, sandy stretches of beach, and huge rock formations of Lake Erie's shoreline, all lend an unusual charm to the park system. The Metropolitan Park System combines into one continuous outer encircling parkway the more important valleys and glens in Cuyahoga County and parts of the neighboring counties. Nine park reservations are included in the project which consists of approximately 90 miles of parkway and 15,000 acres of grounds. Two golf courses in Rocky River Valley are included in the system.

The best testimonial as to the adequacy of Cleveland's convention facilities is the frequency with which the country's largest conventions and trade expositions return to this city. Many of the largest gatherings in the United States have met in Cleveland more frequently than in any other city. ★★★

Register Now

Hotel reservations for the conference should be sent to Wm. Hoffman, Stearns Co., Cleveland, and registrations for the conference should be sent to Credit Bureau of Cleveland, Inc., 500 National City Bank Bldg., Cleveland 14, Ohio. Use the blank on page 14.



•Playhouse Square, Euclid Avenue at East 14th Street, Cleveland, Ohio.

ARRIVED IN CLEVELAND Monday evening, November 12. It was necessary to change planes at Dayton, and the one on which I was scheduled to leave was several hours late, due to bad weather in the southwest. I finally got out on one which was due in Dayton about 1:50 that afternoon, and left about the time I was scheduled to depart—around 8:00 P.M.

Most of Tuesday morning was spent with W. H. Shumway, Jr., Sales Manager, the Statler Hotel, reviewing arrangements made in the fall of 1944 for the 32nd Annual Business Conference, which was postponed due to the government ban on large meetings. The Statler, Carter, Cleveland, and Hollenden Hotels are committed to take care of delegates to our conference, and they will do so in their usual satisfactory manner. According to Wayne Stetson of the Cleveland Convention Bureau, ours is the only convention scheduled for that week.

We have been promised 750 rooms, and possibly 850, as follows: Statler Hotel—350 (possibly 450); Carter Hotel—100; Cleveland Hotel—100; Hollenden Hotel—200. Based on our previous experience, this will take care of approximately 1,100 persons. Heretofore we have averaged about 1½ persons per room. Our registrations, including Cleveland, will likely be between 1,250–1,350, of which 1,000 to 1,100 will be from other cities.

On Tuesday noon I attended a luncheon at the Hollenden Hotel, at which were present Wallis Slater, C. Glenn Evans, G. C. Driver, Clyde C. Kortz, J. G. Ost, F. W. Walter, C. W. Tobey, W. H. Gray, G. W. Gray, and T. W. Walters.

Conference plans were considered, and a report of the subjects discussed and recommendations were presented to a committee of twenty-two at dinner that evening, at the Hollenden Hotel. With the exception of Wallis Slater, honorary chairman, all present at the luncheon were at the dinner meeting. In addition, there were present twelve of the sixteen members who are to serve as co-chairmen of the respective groups; also Mrs. Catharine Bartlett, a past president of the Credit Women's Breakfast Clubs of North America, Wm. R. Bowen, E. L. Carter, and F. E. Sherod of the Credit Bureau.

It was decided that the banquet on Thursday evening, May 16, will start promptly at 7:00, with ten persons seated at each table and no tables reserved. Arrangements have been made to accommodate 1,250 persons at the banquet. There will be no speakers or business conducted at the dinner, which is to be followed by a floor show and dancing.

There will be the usual registration fee—\$10 for members and \$5 for wives and guests. The matter of publicizing the conference was discussed fully, as were other details of the conference, programs, etc. It was decided unanimously to devote the "open night" (Wednesday, May 15) to a Credit Clinic, participated in by all delegates and personnel of the Cleveland stores' credit departments. There will be a panel of eight or ten outstanding executives, representing different lines of retailing, as explained in this month's editorial.

While there will be entertainment for members and guests, that for members will be Monday, Tuesday, and Thursday evenings, and will in no way interfere with the general sessions or group meetings.

On Wednesday morning Fred W. Walter, chairman of the N.R.C.A. Educational Committee, had breakfast with me. For two hours thereafter we discussed the text of a new credit booklet for small merchants which is being written by Dr. Clyde Wm. Phelps of the University of Chattanooga,

Chattanooga, Tenn., author of *Retail Credit Fundamentals*. We hope the new booklet will be ready by April 15.

Calls were made on the following: Wallis Slater, dean of the Cleveland credit men, who is now in charge of wholesale credits for Sterling & Welch, with which company he has been associated for many years; Giles C. Driver, The May Company, Past President of N.R.C.A.; C. Glenn Evans, Halle Bros., President of the Cleveland Association; Clyde C. Kortz, The Higbee Co., President of District 5, N.R.C.A.; J. G. Ost, Cowell & Hubbard, a former National Director; and National Director T. W. Walters, Morris Plan Bank. Unfortunately, my time was limited, and I could not call on other key members.

Learned that F. R. Close, Wm. Taylor Son & Co., had

Journey

Of the Manager
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suffered a fractured leg and had been in the hospital and confined to his home for ten weeks. Talked with him over the telephone and he expected to venture out the following day.

On my previous visit I had promised to have luncheon with Roger Clouse, Assistant Vice President, the Federal Reserve Bank, Cleveland. Unfortunately, I could not do so on Tuesday, and he was engaged Wednesday noon and expected to leave later in the afternoon to keep a speaking engagement in Pennsylvania.

Reached Pittsburgh Wednesday night and attended the credit luncheon Thursday noon. It was the annual meeting for the election of officers and directors. Col. Franklin Blackstone, director and past president of the N.R.C.A., retiring president of the Pittsburgh Association, presided and did so in his usual masterful fashion.

That night I attended the annual banquet of the Retail Jewelers of Western Pennsylvania, the guest of Paul Hardy, president of Hardy & Hayes Co.; and A. S. Kerby, credit manager of that company. It was the first "get-together" since Pearl Harbor and there were more than 650 present. The membership numbers about 850, mostly credit jewelers, and Herman Hollander, secretary, expressed the opinion that 50 per cent of the members, if asked to vote on the question, would favor continuance of Regulation W—some, of course, with modifications.

Past President White had arranged for a friendly poker game following the dinner. In addition to Mr. White and myself, the following were present: Herbert H. Smit, President of the Harris Stores; Frank R. McCaffrey, Treasurer, Thos. McCaffrey Company and newly elected Vice President of the Retail Credit Association of Pittsburgh (Captain McCaffrey recently returned after having spent more than two years in the ETO); A. W. Zahniser and Al Spurrier of the

Credit Bureau. Fortunately, the stakes were low. As usual Past President White's associate, Herb Smit, finished "in the money." Both Joe and I informed him it was due to good luck rather than good playing. We always finish on the losing end and this year we were joined by Mr. McCaffrey.

Accompanied by Col. Blackstone, I called on Harold Seder, treasurer and general manager of Frank & Seder, with whom I usually have an interesting chat on business conditions and credit in particular. Called on R. M. Overall, treasurer of Gimbel's and president of the Credit Bureau, but learned that he was on his honeymoon in the South.

Was introduced by C. W. Orwig to, and enjoyed discussing business conditions with, Wm. B. McFall, president, the Commonwealth Trust Company, and president, the Associa-

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tion of Commerce. Mr. Orwig, who is executive vice-president of the bank is a regular attendant at our national conferences and a National booster.

Past President Joseph A. White and I called on J. A. Schmidt, assistant cashier, and J. W. Kossin, vice-president, the Pittsburgh Branch, the Federal Reserve Bank of Cleveland, where we had the pleasure of meeting R. M. Gidney, president, the Federal Reserve Bank of Cleveland. Matters of mutual interest were discussed with Messrs. Schmidt and Kossin, who have cooperated 100 per cent with retail credit granters in administering Regulation W in that section.

Calls were also made on A. C. Dunn, Roberts Jewelers; T. L. Ford, Credit Bureau of Pittsburgh; C. G. Kaessner, Kaufmann's, newly elected president of the association and a former associate of mine at Mandel Brothers, Chicago; Howard W. Leonard, Joseph Horne Co., who recently celebrated fifty years with Horne's; B. J. Lindberg, Spear & Co.; Past President Joseph A. White, Harris Stores; and Harry E. Wilson, Gimbel's.

Arranged with Franklin Blackstone, President of the Retail Credit Association of Pittsburgh, and Harry E. Wilson, chairman of the Consumer Publicity Committee, for the excellent radio spot announcements material prepared by the committee and used during the year with fine results.

Also arranged with E. T. Warmbrier, director of personnel, Spear & Company, to accept a place on the Cleveland program. He will address the conference on Wednesday morning, on "Getting Along With People."

It was my pleasure, on Friday evening, to attend the dinner meeting, at the Pittsburgher Hotel, of the Western District of the Associated Credit Bureaus of Pennsylvania. It gave me an opportunity to greet some of my bureau friends whom I had not seen for a number of years and enabled me to talk briefly on credit conditions ahead.

Left by plane on Saturday afternoon, November 17, for Washington. Like Dayton, there was a delay of several hours in departure, due to a blizzard raging in Michigan. However, I was fortunate to obtain a seat on another plane scheduled to leave about the same time.

Practically all of Monday was spent in conference with the Honorable Tom C. Clark, United States Attorney General, to whom an invitation was extended to address our annual conference, or to have Wendell Berge, Assistant United States Attorney General, do so. Mr. Clark was exceedingly busy, and as he was to leave the city in the afternoon, he graciously invited me to have luncheon with him. This enabled us to discuss matters of interest without interfering with other business and saved time, which to Mr. Clark is precious as he is one of the busiest men in Washington. It is hoped either he or Mr. Berge will discuss objectionable features of community credit policies, adopted or under consideration, and to become effective with the lifting of Regulation W.

It appears likely that Mr. Berge will address us on Thursday morning, May 16. In his absence I discussed with Kenneth Kimball, special assistant to the Assistant Attorney General, certain phases of community credit policies, on which it was not possible to give an immediate answer.

From the Attorney General's office I went to the Federal Reserve Board, for a visit with Dr. Carl E. Parry, in charge of Consumer Credit Regulation. Had a very pleasant discussion of Regulation W, possible amendments, etc., with Dr. Parry and Bonnar Brown. Discussed the views of our members, changes in the Regulation desired by some, and other matters of mutual interest. Expressed appreciation on behalf of our members for the very satisfactory manner in which the Regulation has been administered by the Federal Reserve System, but repeated that the N.R.C.A. still favors discontinuance of the Regulation with the end of the emergency.

From the Federal Reserve Board I took a taxi to Chevy Chase, Maryland (it was then about 4:00 P.M.), to see our Washington Representative, R. Preston Shealey, who was confined to his home recuperating from a very serious operation. He had returned from the hospital only recently. We discussed a number of pending matters, none of which required urgent attention.

On my arrival I found Abe Coonin, a member of our Legislative Committee, had called for a visit and this enabled us to discuss the several matters informally.

Attended a luncheon meeting of the Baltimore Association Tuesday noon, the 20th, and returned to Washington that afternoon. Addressed the dinner meeting of the Retail Credit Association that night, at the Mayflower Hotel, on community credit policies. Following the business program there was dancing. It was a well-attended meeting, and I am sure will be the forerunner of many interesting educational and social gatherings.

Called on and discussed N.R.C.A. affairs and other matters with National Director Frank P. Scott, Woodward & Lothrop, who is president of the Credit Bureau. I also called on John K. Althaus, manager of the Credit Bureau. Did have the pleasure, at the evening meeting, of greeting many friends, key members of the association.

Left by plane Thanksgiving morning, and arrived in St. Louis about 4:00 P.M., an hour late, but in time to enjoy Thanksgiving dinner with my family. ★★★

CREDIT FLASHES

Birthplace of N.R.C.A. Celebrates 35th Year

Spokane, Washington, the birthplace of the National Retail Credit Association, saw another historic birthday recently. The occasion was the celebration of the completion of 35 years of service by the Spokane Retail Credit Association, when 325 credit men and women attended the annual banquet on January 17 in the Davenport Hotel. R. A. Peterson, Vice-President, Bank of America, San Francisco, was the featured speaker of the evening. His topic was, "Post-War Buying, Cash or Credit." Over 25 guests were seated at the Past Presidents' table, including two Past Presidents of the N.R.C.A., Ralph W. Watson and E. K. Barnes, who is also a Past President of the Spokane Association. Officers elected and installed were: President, John Perry, Exchange Lumber Co.; Vice-President, Jack Pengelly, C. E. Carlson Co.; Treasurer, Harry E. Jones, Old National Bank; Secretary, N. M. MacLeod, The Credit Bureau; and Assistant Secretary, Melvin T. Warrick, The Credit Bureau. Trustees: Neil S. Davis, Washington Water Power Co.; Royal P. Peterson, Owens Specialty Shop; Chas. W. Adams, John W. Graham Co.; Ethel Dopp, R. J. Martin Co.; Arline Tenneson, Johnson Bungay Fuel Co.; Dante Tye, Ernie Majer Co.; and John Busby, Alexander's.

Larry E. Hayes in New Position

Larry E. Hayes, recently discharged from the armed forces, has been appointed assistant manager of the Credit Bureau of Albuquerque, Albuquerque, New Mexico. Prior to his entrance into military service he was general manager of a Personal Finance office in Albuquerque. The Credit Bureau of Albuquerque is at the present time putting on an intensive membership drive sponsored by the manager, Carl E. Porter.

New Appointment for Carl J. Jarmel

Carl J. Jarmel has been appointed credit manager for Gimbel's, New York, N. Y., to succeed Edward McGuire, who resigned some time ago. Mr. Jarmel was previously in charge of convenience payment accounts at Abraham & Straus, Brooklyn, N. Y.

A. J. King Promoted

A. J. King has recently been promoted to the position of general superintendent of Rothschild Brothers, Ithaca, N. Y. Mr. King was formerly credit manager of the company, and was previously associated with Scranton Dry Goods Co., Scranton, Pa., for fifteen years.

Positions Wanted

CREDIT-COLLECTION-OFFICE MANAGER: 15 years' experience in all phases of retail and wholesale procedure. Excellent record. Single. Free to locate anywhere in permanent position. Capable of setting up or revising Credit Department. Now available. Box 632, CREDIT WORLD.

Credit bureau manager with ten years' experience with bureau he organized in a town of 20,000 population. College degree. Prefers southwestern states or west coast.—Box 631, The CREDIT WORLD.

Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Quebec, Canada, and Nova Scotia, Canada) will hold its 25th annual conference at the Hotel Kimball, Springfield, Mass., June 12 and 13, 1946.

Districts Three and Four (Florida, Georgia, North Carolina, South Carolina, Alabama, Louisiana, Mississippi, and Tennessee) will hold their annual meeting March 18, 19, and 20, 1946, at the Hotel Charlotte, Charlotte, North Carolina.

District Five (Kentucky, Michigan, Ohio, and Ontario, Canada) will hold its annual convention in conjunction with the 32nd Annual Business Conference of the National Retail Credit Association, Hotel Statler, Cleveland, Ohio, May 13, 14, 15 and 16, 1946.

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Manitoba, Canada, and Superior, Wisconsin) will hold its annual meeting March 17, 18, and 19, 1946, at the Fort Des Moines Hotel, Des Moines, Iowa.

District Eight (Texas) will hold its annual convention in Galveston, Texas, June 9, 10, 11, and 12.

District Nine (Colorado, New Mexico, Utah, and Wyoming) will hold its annual meeting April 14 and 15, 1946, at the Hotel Cosmopolitan, Denver, Colorado.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, and Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting at the Winthrop Hotel, Tacoma, Washington, May 5, 6, and 7, 1946.

District Eleven (Australia, Arizona, California, Hawaii, and Nevada) will hold its annual convention April 8 and 9, 1946, in Long Beach, California.

District Thirteen (Illinois, Indiana, and Wisconsin, except Superior) will hold its annual convention in conjunction with the 32nd Annual Business Conference of the National Retail Credit Association, Statler Hotel, Cleveland, Ohio, May 13, 14, 15, and 16, 1946.

Leo Stroupe Promoted

Leo Stroupe, Credit Manager of the Johnson Furniture Company, Sioux City, Iowa, has been named manager, to succeed the late Warren Johnson. Mr. Stroupe has been with the Company since 1935. Previous to that he served the Credit Bureau of Sioux City for 13 years. He is at the present time a director of the Sioux City Retail Credit Association and a past president of that Association.

New Credit Department Expense Study

Under the direction of Harry L. Bunker, Vice-President, of N.R.C.A. and Chairman of the Research Committee, our Research Division has inaugurated another credit department expense study—after a lapse of three years. Questionnaires have been sent to 373 members, representing 17 lines of business. Results of this study, which is of a confidential nature, will be available to the cooperating members. If you wish to be included, write the National Office for a questionnaire.

Credit Careers

FRED T. LEONARD

FRED T. LEONARD, for fifty-four years connected with Daniels and Fisher Stores, Denver, Colorado, retired as credit manager recently. He began his career in 1891 at the age of 12 as an office boy, and has steadily progressed to the position from which he retired. During those years Mr. Leonard has met all sorts and conditions of men and women and has retained his faith in human nature and his sense of humor.

He received his training under the direction of the founders of the store, and reflecting on changes in communities, habits, and customers, he said, "The pioneer families, interesting to any student of human nature, operated more on the dare-and-do principle than do the people of today. Contemporary customers who touch the credit department seem to take their obligations more seriously, and to reflect better judgment in buying than did the old timers. That is one reason for growth." Mr. Leonard was the first treasurer of the National Retail Credit Association.

The Leonards have three children and live at 4190 Grove Avenue, Denver. Mr. Leonard's hobby is fishing, just fishing. When speaking of his retirement he said, "It is something to have been connected with one company in a responsible administrative position, whether as office boy or credit manager, for fifty-four years. That's a lifetime for any man, and I propose to walk out before being helped out."

The National Retail Credit Association extends to Mr. Leonard every good wish for happiness, contentment, and prosperity in his leisure years to come.

Arthur P. Lovett

Arthur P. Lovett, 69, Credit Manager, Hettinger Brothers Manufacturing Company for 30 years, and Past President, National Retail Credit Association, died recently at his home in Kansas City, Mo. He went into the dental supply business in 1935, and retired a year ago. Mr. Lovett was a director in the Retail Credit Association in Kansas City, and a member of the board of directors of the Credit Bureau of Greater Kansas City. He served in World War I with the Canadian forces, and was active among Canadian veterans in Kansas City. He was a member of the York Lodge of the Masons, and past adviser of the Mizpah Conclave, Order of the True Kindred.

Mr. Lovett leaves his wife, Mrs. Nancie C. Lovett; two sons, Leslie A. Lovett and Minford L. Lovett; a daughter, Mrs. Muriel A. Richardson; and eight grandchildren to whom we extend our sincere sympathy.

Correction

On Page 13, of the December CREDIT WORLD, under National Membership Activities, District No. 10, Vancouver, B. C., is credited with 18 members. This should have appeared as Vancouver, Washington, 18 members.

RECENT ELECTIONS...

St. Louis, Missouri

The following officers and directors were elected at a recent meeting of the Associated Retail Credit Men of St. Louis: President, Edward Fey, Biederman Furniture Co.; Vice-President, Walter Menzenworth, St. Louis Dairy Co.; Treasurer, I. Davis, Lane Bryant Co.; and Secretary, A. J. Kruse, Credit Bureau of St. Louis. Directors: Tuscan Boaz, Boyd Richardson Co.; N. J. Brosnan, Stix Baer & Fuller Co.; Joseph Holtzman, Kline's, Inc.; Robert Kerr, First National Bank; Harry Zollinger, Zollinger's; Hugo Grimm, Gradwohl Jewelry Co.; Madeline Crane, Grimm and Gorly; A. L. Mayer, Greenfield's; R. Bennett Thomas, Socony Vacuum Oil Co.; E. E. Paddon, Lammert's; Walter Cassmeyer, Merchants Ice and Coal Co.; and Audrey O'Brien, Hellrung & Grimm Co.

Pueblo, Colorado

The Pueblo Retail Credit Association recently elected the following officers to serve for the coming year: President, Chris Jensen, Crews Beggs Dry Goods Company; Vice-President, R. S. Johnston, Pueblo Mercantile and Credit Association; Secretary, Edith Fletcher, Colorado Laundry Co.; Assistant Secretary, Marie B. Buckalew, Pueblo Mercantile and Credit Association; and Treasurer, Laura Smith, White & Davis.

Coquille, Oregon

Donald H. Farr, Farr & Elwood Feed and Seed Store, has been elected president of the Coquille Retail Credit Association. Other officers and directors elected were: Vice-President, Harry Johnson, Western Auto Co.; and Secretary-Treasurer, N. P. McDonald, Coquille Credit Bureau. Directors: Donald H. Farr, Farr & Elwood Feed and Seed Store; Lewis Wiltshire, First National Bank of Portland; H. S. Donsted, Donsted's Grocery; Dave Rackleff, Rackleff's Drug Store; and F. E. McCracken, Attorney.

Ottawa, Ont., Canada

At the annual meeting of the Credit Granters Association of Ottawa, the following officers and directors were elected: Honorary President, G. Scott Murray, Murphy Gamble, Ltd.; President, Gerald Swerdfager, Murphy Gamble, Ltd.; 1st Vice-President, Mrs. Francoise Chateauvert, C. Caplan, Ltd.; 2nd Vice-President, Ward Neild, Industrial Acceptance Corporation; Secretary, F. A. Matatall, Ottawa Credit Exchange, Ltd.; and Treasurer, Emmett Murray, A. J. Freiman, Ltd. Directors: Barbara Dunnet, Charles Ogilvy, Ltd.; Violet Hayes, Orme, Ltd.; Gerald C. Betts, Welch & Johnston; W. S. Rivers, Producers Dairy, Ltd.; A. B. Sainthill, Morrison Lamothe Bakery, Ltd.; and Cecil Leach, Cecil Leach & Company.

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

CREDIT DEPARTMENT

Letters

W. H. BUTTERFIELD

WRITING in *The Underwriters Review*, Doris DeLong makes a profound observation about business letters: "Letters are the dress of thought. Every time you write one, your mind is on parade." If careless business correspondents would reflect for a moment upon this simple truth, a lot more time, effort, and planning would go into their letters. They would hesitate to put into the mail a written confession of their own incompetence.

Though much has been written and spoken about better standards of letter writing and how to attain them, the average level of efficiency in business correspondence is still surprisingly low. Extensive surveys have shown that only one letter in five is a distinct credit to its writer and his firm, while two of the five are "so-so," and the remaining two reflect unfavorably upon both the writer and the house. Such a batting average in business letter writing is not up to the standards maintained in many other phases of American business.

After reading these introductory comments, perhaps you think the letters on the adjoining page are about to be torn to shreds. Quite the contrary! This month we have a "full house" of winners. If we didn't have, the foregoing paragraphs would violate a cardinal principle of good business writing—tact. But this month's letters all do credit to their writers and to the firms they represent. That's why I can talk so freely about the kind of letters that don't!

This Month's Illustrations ➡➡➡

Illustration No. 1, used by *The Wichita Eagle*, Wichita, Kansas, and signed by Royce Sehnert, Credit Manager, presents an effective double-barreled pride appeal to persons whose accounts are past due. "The excellence of your previous record for prompt payment . . ." and "From past experience we know we can depend on you . . ." are strong thrusts at the individual's pride in his credit standing. Only two minor changes are recommended to improve the tone of this letter. Instead of the expression "to ascertain if there is anything wrong with your account," a slight revision of the sentence avoids the negative suggestion of the word *wrong*, as follows: "to ascertain whether there has been any misunderstanding about your account." The other suggested change would substitute for *Very truly yours* the closing *Sincerely yours* or *Cordially yours*, thus giving the concluding element of the letter a more friendly, personal tone.

Illustration No. 2, used by Emry's, Spokane, Washington, and signed by Fred G. Emry, President, is a well-organized message to charge customers whose accounts are inactive. Its approach, its composition, and its cordial

tone combine to make it an effective letter. Its closing sentence makes excellent use of the important "climax position" of the letter by suggesting positive action on the part of the reader, and by winding up the message with a cordial expression of welcome. Notice how the reference to possible faults of service or merchandise has been omitted from the letter, but presented adroitly in *Illustration No. 3*. This method makes the reference to possible shortcomings seem less personal and much less conspicuous; yet it still gives the customer an opportunity to report any transaction with which he is not entirely satisfied.

Illustration No. 4, used by *Forbes*, New York City, and signed by Norman Bruce, is a magazine subscription-renewal letter that gets quick attention through its unusual approach. The "change of pace" from the standard form and the conventional type of message make this letter one of the highly successful promotional pieces used by the *Forbes* organization. Unlike most letters written in verse, this one achieves a very creditable degree of meter and rhyme. It also carries an appeal to the reader's sense of cooperation, as well as his sense of humor.

Illustration No. 5, used by Monnig's, Fort Worth, Texas, and signed by Otto Monnig, Vice-President, is a letter requesting customer cooperation toward improvement of the store. One of its greatest virtues is the "you" point of view throughout the message, which puts the reader squarely into the picture and keeps him there. The tone of the letter also makes it seem like a personal, individual message. In addition to the useful information so conveniently provided for on the reply card *Illustration 6*, this letter unquestionably makes the customer feel that the store is genuinely interested in serving him to the best of its ability. The message is therefore an excellent good-will builder as well as an inquiry designed to produce helpful comments about goods and services.

All of the letter specimens analyzed this month are remarkably free from trite, stereotyped expressions—one of the most persistent faults of everyday correspondence. Nowhere on the adjoining page can you find such terms as *enclosed please find*, *we beg to state*, *at your earliest convenience*, *herewith enclosed*, *we wish to advise*, *we note from our records*—or other similar "chestnuts" that carry the reader back to the horse-and-buggy days.

Each one of this month's letter illustrations does far more than an average job in handling its own particular problem. And it's important these days to do more than an average job in your public relations by mail—that is, unless you are willing to settle for average results from your business letters. ★★★

VICTORIA WUNDERLICH ESTATE, Owner

VICTOR WUNDERLICH, Editor

MARGARET M. WUNDERLICH, Publisher

The Wichita Eagle

Morning, Evening and Sunday
WICHITA, KANSAS

January 23, 1946

Mr. John Doe
111 East Street
Wichita, Kansas

Dear Mr. Doe:

The excellence of your previous record for prompt payment occasions this letter to ascertain if there is anything wrong with your account.

From past experience we know we can depend on you to give this matter your attention.

Very truly yours,
Royce Schenck
Royce Schenck
Credit Manager

Balance: \$210.00

RS/d

FORBES

The Indicator of Business

120 FIFTH AVENUE NEW YORK 11, N. Y.
R. C. FORBES, Editor

January 3, 1946

So long,

Dear friend,

we'll have to part,
Although it almost breaks my heart!

I wrote to you,
and wrote,
and wrote,
But you ignored my every note.

I really hate to say Good Bye,
So let me make one final try:

Four Dollars is not much to pay,
Come on now - this very day!

Cordially,

Norman Bruce

Norman Bruce
Subscriber Service Bureau

③ Good Will

"Good will, like a good name,
is won by many acts—
and lost by one."

While always striving for per-
fection, this is still a very human
world. Should you discover any
fault, either in our goods or
service, won't you let us know?

EMEY'S

Dear Mr. Monnig:
I enjoy shopping at Monnig's because:

My suggestions for improving Monnig's are as follows:

MONNIG'S
FORT WORTH

TEXAS

September 25, 1945

Mrs. Annie L. Williams
1946 Victory Drive
El Paso 9, Texas

Dear Mrs. Williams:

May we ask a favor of you?

Will you tell us, quite frankly, on the enclosed card, just why you like to shop at MONNIG'S, and what in your opinion can be improved?

This is the best way we know to find out how to serve you best in the post-war future. You have been so gracious about everything, especially merchandise and service limitations, that I, personally, welcome this opportunity to thank you for your loyalty during the trying times through which we have passed.

All along, we have tried to uphold a tradition of 56 years for MONNIG quality and friendliness and have, in many cases, chosen to miss sales rather than offer you inferior substitutes.

Right now, we are getting ready for the MONNIG Store Of The Future. So won't you tell us what you expect of us? I shall be very grateful for your reply. The enclosed card is postage-free.

Sincerely,

MONNIG'S

Otto Monnig
Vice-President

OMM:F

FRED G. EMEY
President

EMEY'S

SPOKANE, WASH.

February 2, 1946

Mrs. F. W. Warren
1147 25th Street
Spokane, Washington

Dear Mrs. Warren:

This morning the credit department handed me this slip, stating that you have not used your charge account recently.

Frankly, I have always gone on the assumption that to retain old customers is just as important as obtaining new ones. Hence this little note to say to you, "Your credit is good; we are anxious to have you come in and say 'Charge It'; we have assembled a very fine selection of merchandise for your approval."

It may be that you have been paying cash in recent months, for which we thank you. It may be that you have not needed any apparel lately. Whatever the reason, I will be glad to see you personally, and the entire Emy personnel welcomes the opportunity to serve you.

Cordially,

Fred G. Emy
Fred G. Emy
President

FG:k

Business Conditions and Outlook

• Business Volume Is 7 Per Cent Higher Than a Year Ago •

THE VOLUME of trade has continued to hold up well, due largely to the high level of consumer buying. Even the slowing down in industry caused by widespread labor disturbances and the difficulties of completing the reconversion to peacetime production, have not been enough to pull business volume in many lines below last year's high level. Indications are still promising for a good year, unless interruptions are more extensive and last longer than is now generally expected.

NOT ONLY is the total volume of business being maintained at about 7 per cent above last year, but also the variations among different industries and among different sections of the country are much less than appeared likely only a few months ago. A remarkable degree of stability has been achieved during the reconversion period and almost as many people are at work as were employed during the peak war years.

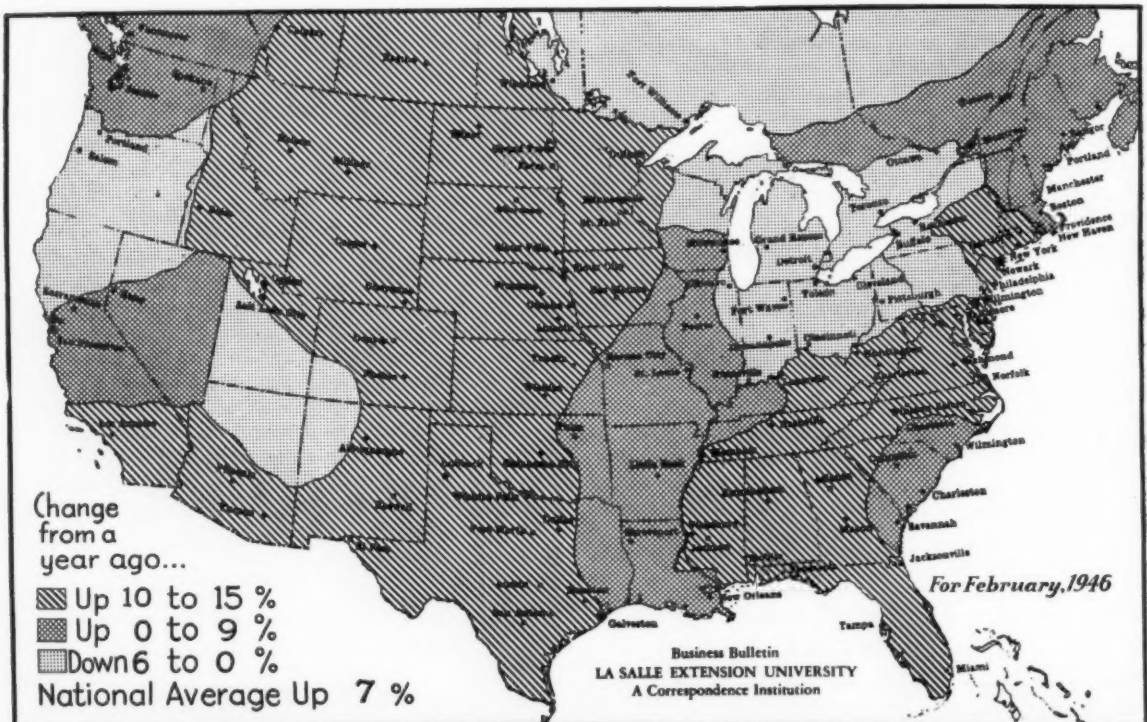
THE LA SALLE MAP of Business Conditions does indicate, however, some significant facts about the changes which have been taking place in some sections of the United States and Canada. The areas of greatest expansion are almost the same as those which were lagging last year. In general, the industrial sections show declines while the agricultural regions report larger volume of business. As compared with the prewar years, activity is still high even in the industrial regions. A considerable part of the wartime rise

has so far been held and probably will be until the most urgent of the consumer shortages have been made up.

ALONG THE PACIFIC coast, conditions are slightly better in the southern part of California than they are farther north. In some places, business is lower than it was a year ago, but some signs of expansion have already appeared and probably conditions will be improved during the next few months.

BUSINESS IS ALSO below last year in the major industrial centers of the East and around the Great Lakes. Declines have not been large in most places but for several weeks business has been dull as compared with the unusually high levels of recent years.

IN CANADA the volume of trade has been maintained, while industrial production has dropped rather rapidly. Business has held up best in the farming districts where fairly high prices have kept up income of consumers even though crops last year were not quite as good as they had been for several years. In the industrial region north of the Great Lakes, volume of business has been below the level of a year ago and no signs have yet appeared of more than a moderate rise during the next few weeks. Business will be good, however, as compared with the prewar levels and many lines of industry are planning to expand.—BUSINESS BULLETIN, La Salle Extension University, Chicago, Ill.





MONTHLY CREDIT STATISTICS

Culled from *Federal Reserve Bulletin* of the Federal Reserve System
by the Research Division, National Retail Credit Association

TOTAL CONSUMER CREDIT outstanding increased by about 325 million dollars during December to an estimated total of 6,605 millions at the end of the month.

Installment loans outstanding increased nearly 6 per cent during December, a somewhat larger rise than in other recent months. At the end of the month these loans were more than 20 per cent above the year-ago level.

Installment credit outstanding on automobile sales rose 4 per cent farther during December. Other installment sale credit outstanding increased sharply in December and at the end of the month consumer indebtedness resulting from installment sales was larger than at any time since the middle of 1943.

Charge accounts receivable increased by about the customary seasonal amount during December, and at the end of the month were approximately 10 per cent higher than on the corresponding date of 1944.

Ratio of Collections to Accounts Receivable¹

MONTH	INSTALLMENT ACCOUNTS				CHARGE ACCOUNTS
	DEPARTMENT STORES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	DEPARTMENT STORES
1941					
December	20	11	12	23	46
1942					
June	22	14	13	22	56
December	31	18	15	30	65
1943					
June	29	21	21	33	62
December	35	22	22	55	63
1944					
January	30	20	22	31	61
June	31	24	28	30	63
December	36	23	39	49	61
1945					
January	32	21	34	31	61
February	30	21	32	30	61
March	36	24	36	33	66
April	30	22	36	30	62
May	32	23	40	33	64
June	32	23	43	33	64
July	31	24	42	31	62
August	33	23	48	31	63
September	35	23	49	30	63
October	40	27	52	31	66
November	40	27	51	34	67
December	36	25	48	45	61

¹Ratio of collections during month to accounts receivable at beginning of month.

TOTAL CONSUMER CREDIT, BY MAJOR PARTS

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL CONSUMER CREDIT	TOTAL INSTALLMENT CREDIT	INSTALLMENT CREDIT				SINGLE- PAYMENT LOANS	CHARGE ACCOUNTS	SERVICE CREDIT
			SALES CREDIT			LOANS			
			TOTAL	AUTOMOTIVE	OTHER				
1941	9,499	5,921	3,747	1,942	1,805	2,174	1,204	1,764	610
1942	6,165	2,932	1,494	482	1,012	1,438	1,072	1,513	648
1943	5,158	1,939	816	175	641	1,123	1,034	1,498	687
1944									
January	4,818	1,836	745	169	576	1,091	996	1,294	692
June	4,945	1,826	707	192	515	1,119	1,033	1,370	716
December	5,790	2,083	836	200	635	1,247	1,220	1,758	728
1945									
January	5,481	2,013	778	192	574	1,235	1,206	1,528	734
February	5,326	1,968	743	186	557	1,225	1,188	1,432	738
March	5,576	1,992	732	184	548	1,260	1,181	1,662	741
April	5,443	1,989	724	184	540	1,265	1,212	1,500	742
May	5,498	2,006	720	184	536	1,246	1,260	1,488	744
June	5,649	2,036	720	188	532	1,316	1,324	1,544	745
July	5,592	2,036	712	192	521	1,323	1,346	1,459	751
August	5,588	2,034	706	196	510	1,328	1,359	1,441	754
September	5,637	2,053	717	202	515	1,336	1,358	1,470	756
October	5,937	2,133	754	210	544	1,379	1,380	1,666	758
November	6,279	2,240	805	219	586	1,435	1,441	1,835	763
December	6,605	2,417	903	227	676	1,514	1,487	1,930	771

CONSUMER INSTALMENT SALE CREDIT, EXCLUDING AUTOMOTIVE

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL EXCLUDING AUTO-MOTIVE	DEPARTMENT STORES AND MAIL-ORDER HOUSES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	ALL OTHER RETAIL STORES
1941	1,805	469	619	313	120	284
1942	1,012	254	391	130	77	160
1943	641	174	271	29	66	101
1944						
January	576	158	248	24	55	91
June	515	138	237	15	44	81
December	635	184	269	13	70	100
1945						
January	574	172	249	12	61	92
February	557	163	240	11	54	88
March	548	163	238	11	50	86
April	540	159	237	11	48	85
May	536	155	238	10	48	85
June	532	151	237	11	49	84
July	521	146	235	11	47	82
August	510	142	232	11	45	80
September	515	144	235	11	44	81
October	544	156	247	11	44	86
November	586	173	262	12	47	92
December	676	197	283	13	76	107

DEPARTMENT STORE SALES BY TYPE (Percentage of total sales)

YEAR AND MONTH	CASH SALES	INSTALLMENT SALES	CHARGE-ACCOUNT SALES
1941—January	49	8	43
December	53	6	41
1942—June	56	5	39
December	61	5	34
1943—June	60	4	36
December	65	4	31
1944—January	64	4	32
June	63	3	34
December	64	4	32
1945—January	63	4	33
February	63	4	33
March	63	3	34
April	62	3	35
May	63	3	34
June	62	3	34
July	66	2	31
August	65	4	31
September	63	4	33
October	63	4	33
November	62	4	34
December	64	4	32

Sales
Promotion

Interviewing

Investigating

Billing

Collections

Control

A "give-and-take" page,
wherein readers may ask
— and answer — ques-
tions about their credit
and collection problems
and solve them in the
laboratory of practical
experience...

The CREDIT Clinic

Conducted by ARTHUR H. HERT, Research Director

The Question

What is your policy regarding limits placed on employee charge accounts at the present time?

The Answers

Akron, Ohio: During the past three or four years our employees have been either children or older people, and the problem of employee accounts has not been severe since we do not charge to minors. During normal times we are extremely liberal with our employees, and have always placed a limit of one week's salary on the account.

★ ★ ★

Chicago, Ill.: As a general rule employees are not eligible to open charge accounts until they have been in our service for six months. While we usually affix a credit limit equivalent to approximately one-and-one-half to two weeks' salary this is flexible, and is made to meet specific instances. Limits on regular charge accounts with executives are higher and no attempt is made to hold them to the assigned limits except in cases where the privilege is inclined to be abused.

★ ★ ★

Cleveland, Ohio: House account applications fall into three general classifications as follows: 1. All employees who have credit established elsewhere previous to the application for an account here. 2. Employees over twenty-one years of age who have never had credit established. 3. Employees under twenty-one years of age who have never had credit established. All applications for credit from employees are cleared through the credit bureau, and if information received on those in the first classification is satisfactory, an account is established upon request. An account is not established for those employees in the second classification until they have been here at least six months; then, upon request for an account, our terms are explained carefully and the account is opened. The limit is based upon the income and an amount of two weeks' pay is the maximum amount of credit granted. This, however, is subject to variation. Accounts in the third classification are also required to be with us at least six months, and in many instances we secure guaranties from the parent. This guaranty is taken not only to protect us in credit, but to enable us to be sure that the parents know a minor is opening an account, and the limits are watched closely. Terms are explained carefully. Pay roll deductions are made only when necessary to secure collection. A

Charge-plate is issued to all employees who have a house account. House employees may open budget accounts when the purchase is furniture or coats, but we do not sell them our purchase certificates.

★ ★ ★

Columbus, Ohio: Our policy is to treat an employee account the same as an outside account, basing our opening and limitations on length of employment, salary, etc. Our collection policy is also the same as on outside accounts.

★ ★ ★

Dallas, Tex.: Our limits on employee charge accounts are the same as those placed on an ordinary account. If an employee has no other charge accounts, we require that he be with us six months before the account is opened. A letter of acknowledgment is sent to the employee; however, it differs from our regular customer notification letter in that it advises the employees of the limit placed on the account and the terms of payment. At the time of opening the account we take their signature on a form directing us to make deductions from their salaries to apply to their account, if it becomes overdue. The form also provides for deducting the full amount owing from their last salary check should they decide to leave the store. We are notified by our bookkeeping department if any employee account exceeds the limit, and charges thereafter are referred to the credit department for approval. In spite of all these precautions, our losses on store accounts are somewhat higher than regular customer accounts.

★ ★ ★

Denver, Colo.: We require that an employee be on the permanent pay roll for six months before we will open a charge account. At the time that we open the account, we set a limit, depending on the individual employee. We take into consideration the department in which she is employed; which, to a large extent, determines her monthly income; her husband's employment; and her credit record. We have rigid store rules stating that any balance that is still on a house account by the tenth of the second month is deducted from the pay check on the fifteenth of that month. We encourage our employees to use our budget account for purchases of \$25.00 or over. On this plan they pay one-third down and have from three to six months to pay the balance, depending on the type of merchandise they purchase. Their house accounts are open for their use in making smaller purchases.

Kansas City, Mo.: We require all employees to work for us for a period of three months before we will grant them credit. However, if the employee has a husband who is gainfully employed or if she has an independent income, we will extend credit to her. Our terms require employees to pay their bills by the 10th of the month following date of purchase. Employees get from 10 per cent to 20 per cent discount on their purchases after the first thirty days of employment. We have never found it necessary to make deductions from employees' wages to secure settlement of their bills; however, our employees are above average. The limits placed on our employee accounts are handled much the same as those placed on the accounts of customers; circumstances rule. The new employee cannot in most instances charge anything in excess of one week's salary; yet, an employee of long service with the firm whose credit habits have been thoroughly tested can charge anything in the bounds of reason.

★ ★ ★

Lincoln, Neb.: We open charge accounts for our employees on the same basis and terms as for any other charge customer. Character, capacity, and capital determine the limit. Employee accounts are filed alphabetically along with our other accounts and the same authorizing and collection procedure is used for them as for our other customers.

★ ★ ★

Memphis, Tenn.: An employee must be employed for at least six months before we will open an account, and weekly employee accounts are not permitted to charge more than their weekly salary. Charges are approved according to the ruling of Regulation W. All buyers and executives have regular thirty-day charge accounts, and their accounts are limited to their ability to pay. We encourage employees to open accounts, and whenever possible, we are glad to sell them on open charge account. The percentage of loss on house employees is very small.

★ ★ ★

Milwaukee, Wisc.: We maintain the same credit policy for our employee accounts as we do for our regular customers.

★ ★ ★

Milwaukee, Wisc.: Charge accounts are arranged for employees on the same basis as regular charge customers. Bills are payable in full within 30 days from date of bill, and credit limits are assigned to accounts according to the employee's salary and position. Regular employees are permitted to charge up to double the amount of weekly salary. Accounts of old employees and those having additional income through husband's employment, etc., are permitted to exceed the limit. Usually thirty days' continuous employment is required before an employee may open an account. Charge accounts are also arranged for regular extras. A charge card authorizing discount is furnished to all executives.

★ ★ ★

Minneapolis, Minn.: The same methods and limits are used on employees' thirty-day charge accounts as on regular accounts.

★ ★ ★

Nashville, Tenn.: We handle our employees' accounts in the same manner as we do our retail customers, according to their credit records.

New York, N. Y.: Our thirty-day employee charge accounts are handled in the same manner as the regular accounts. Limits are merely a guide to the authorizer. When an employee makes a larger purchase than the information in our file justifies, we speak to the individual, and in practically every instance a satisfactory basis for credit is determined. Employees who charge to their salary must pay the full amount charged each week. We prefer that their weekly purchases do not exceed their salary, less \$5.00.

★ ★ ★

Philadelphia, Pa.: Our policy on employee charge accounts is flexible. It seems that if a business is to survive, credit must be extended to almost everyone in unlimited quantities. We do try to keep our employees' purchases on a two-weeks' salary basis. Accounts are shut off promptly under Regulation W, and if no payments have been made by the employee, deductions are taken from his or her pay envelope each week.

★ ★ ★

Portland, Ore.: Employees on regular pay roll for 30 days or more may open a charge account. Extra employees may not. Those who are qualified make application for an account, and it is treated much the same as an outside account and limited according to the credit information, with perhaps a little more leniency. Deduction from salary or payment on a thirty-day basis is optional and the employee makes his selection at the time the application is taken. This applies to both charge and contract accounts. Accounts on a deduction basis are deducted the payday following purchase unless arrangement is made on larger purchases to be deducted in accordance with Regulation W. Thirty-day accounts are due and payable on the 15th of the month following purchase. Accounts not paid by the 10th of the second month following purchase will be in default under Regulation W, and must be deducted from the 15th pay roll. If it is impossible to make payment as described above, the account balance may be put on a note payable in six equal monthly payments. However, there may be only one note in effect at any one time. When an account balance is transferred to a note, it is expected that any further charges will be paid promptly, and that we will not be forced to resort to the deduction method.

★ ★ ★

Pueblo, Colo.: It has been our policy for years to extend monthly accounts or installment accounts to employees when they qualify under our store policy. If no credit has been established and the opening of a monthly account is not justified, we allow our employees to charge on a weekly account, not to exceed their weekly salary. The amount that has been charged is deducted from their pay for that week.

★ ★ ★

St. Louis, Mo.: After an employee has been continually employed for sixty days, he is eligible for an employee charge account—the limits on which are held to an amount not exceeding two weeks' salary. When an employee, associated here for some time, is desirous of credit exceeding such an arrangement, new limits are placed on accounts at his request.

(To be continued next month.)

LOCAL ASSOCIATION *Activities*



THE SPOKANE Retail Credit Association recently completed a credit clinic and credit fundamentals study course. The picture in the upper left-hand corner, below, was taken at one of the sessions. The class met one night a week for five weeks, and the average attendance was 62. The clinic and the course were under the direction of the Educational Committee of which Ethyl Dopp was Chairman.

THE PICTURE on the lower left was taken at the reorganization meeting of the South Jersey Credit Manager's Association, Camden, New Jersey. The new officers are: President, William Atkinson; Vice-President, Frank Hill; Secretary, Charles W. Swan; and Treasurer, Clarence P. Wright.

THE NEWLY elected officers and directors of the Associated Retail Credit Men of Schenectady, New York, are shown in the center picture below. They are, from left to right: Vice-President, Paul S. Dworsky; Program Chairman, A. P. Bantham; Treasurer, Kenneth E. Buhrmaster; Vice-President, Harold F. Lewis; Public Relations Chairman, W. Donald Millard; President, Burton V. Consaul; Secretary, J. Leslie Walton; Chairman of the Roster Committee, Mrs. Lucie Pagan; Membership Chairman, William F. McCormack; National Director, Stannard M. Butler; and Chairman of the Reception Committee, Seward Mallory. Catherine Davey is also a vice-president of the organization.

A LUNCHEON was given recently by the Houston Retail Credit Association in honor of all past presi-

dents of that association. The upper right-hand picture, below, was taken at the meeting. Standing, left to right, are: George L. Asbeck, 1944; O. O. Lynn, 1943; J. W. Kilpatrick, 1942; Jack Levitt, 1932; J. W. Waddle, 1941; L. S. Crowder, organizer in 1917; Henry C. Horne, 1939; O. C. Faulkner, 1931; E. H. Brown, 1938; Roland Springer, 1936; Ralph Parlette, 1929; F. G. Cassara, 1930; Mike Weinstein, 1934; and J. W. Robertson, 1945. Seated, left to right, are: C. B. Butcher, Secretary; Marley Styner, 1933; Walter H. Smith, 1928; A. F. Kuhleman, 1926 and 1935; Mrs. Georgia Humphries, 1940; William A. Raymond, 1925; Harry B. Jewett, 1924; Nelson Munger, 1923; Leopold L. Meyer, 1922; and T. L. Loughridge, First Treasurer. All of the past presidents were presented with a framed scroll in recognition of their services. Ninety attended the meeting.

A TWO-DAY credit conference was held recently in Vancouver, B. C., when speakers from all parts of Canada discussed credit matters. The picture in the lower right-hand corner, below, shows some of the group at the head table. Reading from left to right are: Lars Carlson, Regional Manager, Committee for Economic Development, Seattle, Washington; Mrs. R. F. Cook; H. J. Craddock, President, Credit Granters' Association of Canada; H. G. Barnes, President, Retail Credit Granters' Association of Vancouver; and Thomas Downie, Manager, Retail Credit Granters' Bureau, Vancouver, B. C.



SALES Promotions



Address-O-Plate Installation

SHOWN BELOW is an illustration of a "Thank You" card along with a letter that was sent to all of our charge customers which explains the use of Address-O-Plate which we have just installed in our store. The Address-O-Plate is an identification media for charge account customers, and it is similar to the so-called dog tag that was used for members of the armed forces during the past war. This is the first installation of this plan in a retail store by the Addressograph Company, manufacturers of the plate and the necessary equipment for its use. We find that the installation is inexpensive as we are able to buy the equipment outright instead of on a rental basis which is used in similar installations. The reaction from our charge customers indicates that it is being received exceptionally well, and it will, of course, greatly improve our authorization, delivery, and readability of sales checks.—Dean Ashby, *Credit Manager*, M. L. Parker Company, Davenport, Iowa. ★★★

Newspaper Account Solicitation

AS THE AMOUNT of our accounts receivable decreased considerably during the war, we have entered upon a program which we hope will greatly stimulate credit buying and add many substantial charge accounts to our list of customers. In connection with our postwar credit sales promotions, we ran the first of a series of four ads in our local newspapers. The first ad, illustrated below, was printed in *The Denver Post* for September 12, 1945. The other three ads appeared one week apart thereafter, and contained copy somewhat similar to the ad illustrated below. As usual, all applications as a result of this add were checked through the Denver Retail Credit Men's Association before the customer was notified of action taken. To date, we have received excellent results from this type of charge account promotion, and we heartily recommend it to anyone wanting to increase the number of charge accounts on his books.—William E. Glass, *Vice-President and Treasurer*, Cottrell's, Denver, Colorado. ★★★

M. L. PARKER COMPANY

FOUNDED 1906

DAVENPORT, IOWA

January 30, 1946

Dear Mrs. Brown:

Here is the way your next charge purchase salescheck will appear when you use the enclosed ADDRESS-O-PLATE...

NAME		MR. A. B. BROWN	
STREET		1223 HARRISON STREET	
PURCHASER	TOWN	DAVENPORT	
CHECK NO.	DEPT.	AMOUNT	DATE

ADDRESS-O-PLATE is a new service for our charge account customers. It identifies you, it speeds up charge transactions, and it eliminates the possibility of errors in names and addresses.

In the future, when making a charge purchase at Parker's, just present your ADDRESS-O-PLATE. You'll be delighted with the promptness it engenders. If, however, you find you do not have your ADDRESS-O-PLATE with you, just give your name and address as in the past.

Additional ADDRESS-O-PLATES are available for other members of your family so they, too, may enjoy the convenience of this new system. Should an ADDRESS-O-PLATE be lost or misplaced, a new one may be obtained quickly at our credit office.

In the event your address is changed, your ADDRESS-O-PLATE should be brought to the credit office at once so that a new one may be issued. Such changes can be made in a few moments.

Since every customer is Parker's guest, we want to take this occasion to invite you to visit us again soon, and we hope you will find as much pleasure and satisfaction in using your ADDRESS-O-PLATE as we have had in bringing the service to you.

Sincerely yours,

Dean Ashby
Credit Manager

Open a Charge Account at the Man's Store

A Cottrell Charge Account is more than a convenience for paying later. It serves as a recommendation and aids in establishing your reputation in the community for prompt payment and integrity! Get started right in the post-war era ahead with an account at the Man's Store. You don't even have to come in—merely:

CLIP THIS

and Mail It to Cottrell's



NAME.....
Home Address.....
Business or Occupation.....
Other Charge Accounts or References.....

COTTRELL'S

Thank You! Thank You!

Thank you for your loyal patronage. It made 1945 the largest year in the history of Parker's.

Thank you for your patience and cooperation. You waited in line to make purchases. You were patient with inexperienced salespeople. You carried your own packages without grumbling.

Now that we're again settling back on a peacetime basis, we'll redouble our efforts to bring you the best in merchandise and service. So come in again soon and give us the opportunity to show you what we mean when we say that "customers are Parker's guests".

M. L. PARKER COMPANY

Credit Executive . . .
Do you age your accounts? Here is a form designed especially for your needs.

It is especially effective for smaller stores for use in collection follow-up and freezing accounts.

The size is 9½" x 12" and they are padded 100 to a pad. Prices: 100, \$1.00; 500, \$4.00; 1,000, \$7.50. Postage extra. Special prices on larger quantities. Order Age Analysis Form No. 721, today, from your Credit Bureau or National Office.

Shell Building

St. Louis 3, Mo.

NAME OF FIRM

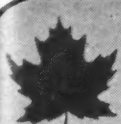
MONTH OF _____

—18—

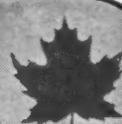
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In the interest of efficient credit control accounts past due more than 60 days or accounts in an overbought condition should be reported to the Credit Bureau.

Form 721—National Retail Credit Association—Saint Louis



Granting Credit in Canada



J. H. SUYDAM . . . Canadian Correspondent

Locating Skips

THERE ARE NO secrets in tracing debtors. It is a matter of using the information sent by the inquiring member plus the valuable information contained in the Bureau's files. There are no set rules to follow. I do not agree with the direct "white lie" methods, that is, looking for a certain party to give him everything from a job to a fortune from some lost estate. People of average intelligence know that firms do not trace persons for jobs, with the unemployment situation as it is today, and if you have an estate for Mr. John Smith of Toronto, all you need do is place a small advertisement in a local newspaper and you will have every John Smith in town at your doorstep the next day.

There is a natural sequence to follow in tracing a debtor. First, there is the preparation of information on the history of the person to be traced. We are given the name of the person, his last known address, his last known place of business, and perhaps several references. This is where the city directory comes into use. First, check to see if the person is a householder or a roomer. If a roomer, whether he is with his own people or strangers. Also, check the veracity of references' addresses. This will save valuable time while actually tracing "out on the road."

Toronto is gifted with a complete and well-edited city directory. Large cities such as New York and Chicago have a directory published at intervals several years apart, and this is of little value in tracing. Toronto's directory is published every year and is invaluable in any line of credit work. It is impossible to be too thorough in preparation work. For instance, by tracing back through company records or old city directories, we find past resident addresses or past places of business. The debtor often has friendly business associates in past places of employment, or some friendly neighbour at an old address with whom he keeps in touch. Very often some slight information jotted down in preparation results in a successful locate.

In actual tracing, a fair knowledge of the debtor's history is essential. We can talk more intelligently then to our would-be informant. We find from experience that personal contact is more satisfactory than telephone calls in contacting neighbours. For instance, Mrs. A will refer you to Mrs. B, a few houses away, who was quite friendly with the debtor. She would not bother to do this over the telephone. People are more willing to talk in person than through the impersonal medium of the telephone.

When making personal calls, a knowledge of psychology comes into use. Try to fit yourself into the personality of the informant and his surroundings, and talk his language. Through practical knowledge you should be able to tell whether the informant is evading the issue or not, and thereby make inquiries accordingly. It is better not to go directly to the former address, but first make inquiries at neighbour's houses. By doing this, you can find the present status of the debtor's former address—whether relatives or friends of the debtor still live there. You will not then be blundering with some story that falls flat and results in failure.

Children in the street are, as a rule, a good source of information. But pick out the older ones to talk to, or some enraged mother may rush out, thinking you are going to kidnap her young offspring. The corner store is a good source of information. Be sure your grocer informant is not busy at the time. If you think he knows the debtor well enough, buy something from him, even if it's only cigarettes or a chocolate bar. You will find he will talk much more freely.

In making personal contact, each case should be dealt with on its own merits. After you have sized up your informant with one or two preliminary inquiries, act according to your own psychological deductions. For instance, if you find Mrs. A is antagonistic against the debtor, tell her of your account and she will be glad to give you information just to add misery to the poor debtor's soul. If the opposite is the case, discuss the debtor freely in a friendly way. You will be surprised to find out how easily information will be forthcoming.

Bakery and milk firms are good mediums. The individual driver is usually responsible for each of his accounts. It is best to contact the driver personally interested, rather than deal through the company itself. Moving companies are as a rule most accommodating. The larger firms usually require an official letter. They are quite willing to give official information on storage, and the address of the person. Newspaper personal ads are of little use. A deadbeat will "smell a rat," and will ignore them or answer indirectly. The only use for newspaper ads is as a medium for bringing together other creditors of the person wanted, to exchange information.

To verify and locate sometimes requires more tact than actually tracing the debtor. There are various methods of verification, according to the type of debtor.

1. To verify the debtor who merely moves, not intending to defraud, but just forgets the account, a call asking him if he lived at the former address, then telling of his account, will suffice.

2. A more definite verification is to send out a registered letter with the debtor's signature requested on the return slip.

3. For the party who claims he is not the debtor, have him sign an affidavit saying he is the wrong party, telling him that such an affidavit will protect his credit in the future against the real debtor. If he refuses you can be reasonably sure he is the debtor, and take whatever steps are necessary. If he signs, you can compare signatures with the original on his contract.

4. If you are in doubt as to the classification of the skip, ask him if he had a Mr. John Smith living with him at 55 A Street. In most cases, he will not suspect your inquiry and will tell you that the Mr. John Smith you are looking for never lived with him while he was at 55 A Street.

Tracing can be carried out successfully, and still be kept within the bounds of good business ethics. It is not the most pleasant task in the world, but can be enlightening to anyone interested in psychology and human nature.

W. J. TUCKER, the author of this article, is a member of the staff of the Locating Department, The Toronto Credit Bureau, Toronto, Ontario, Canada.



In the News

THE NET national income in the United States dropped from \$80 billion in 1929 to \$40 billion in 1932, and rose to \$80 billion in 1937, and to \$160 billion in 1944, as shown in a Twentieth Century Fund report.

THE COMBINED amount outstanding on installment loans of commercial banks, small loan companies, industrial banking companies, and credit unions increased about 69 million dollars during December to an estimated year-end total of 1,239 millions. The rise in December, shared by all lending groups, brought the total amount outstanding to about 6 per cent above the November level and more than 19 per cent higher than a year ago. Installment loans made during December by the four groups of cash lenders amounted to 306 million dollars, an increase of nearly 19 per cent over the preceding month. Total loans made in 1945 were estimated at about 2,612 million dollars compared with 2,257 millions in 1944.

COSTS ARE at the heart of the housing problem. The effects of waste, inefficiency, and traditionalism have been keeping the price of houses high. We must reduce costs if the housing market is to serve low-income groups, and if the housing industry is to play a larger, more sustained role in our economy than it has done in the past.

A FEDERAL Reserve spokesman said government regulations on installment buying must remain in force until production is "in within gunshot of demand." He said Regulation W was highly essential in the battle against inflation.

FURNITURE store sales increased by about the usual substantial amount from November to December, and were 16 per cent larger than a year ago. Cash sales increased sharply and were larger than for any month on record. Inventories were reduced ten per cent during the month, but on December 31 were still six per cent above those held on the corresponding date of the preceding year. Installment accounts receivable increased more than is usual in December, and were seven per cent higher than on December 31, 1944. These accounts are now collected in approximately seven months, a somewhat shorter period than in December, 1944.

CASH IN hand for Americans increased over three and a half times during the period of World War II, according to a Twentieth Century Fund study. Money in circulation rose from \$7 billion in July, 1939, to \$26 billion in April, 1945.

VETERAN LOANS will be much easier under revised regulations to become effective about April 1. A number of red-tape forms are being eliminated. The period in which applications may be filed has been extended from two years to 10 "after the end of the war." Loans by any established lending agency subject to federal or state supervision are guaranteed automatically—within loan and cost limits fixed in law. Maturity date on urban real estate loans will be extended to 25 years, farm loans 40 years, and business loans ten years.

AS A rough average, it costs as much to raise a child and put him through college as to buy a house.

FUTURE OF OPA is being weighed anew by highest Administration policy makers, in the light of a decision for maintenance of wartime wage rates. Impressive evidence is accumulating that bad pricing has slowed civilian production in several basic industries. Growing sentiment in Congress veers to the position that expanding production and competition will tend to keep prices down if OPA is abolished June 30.

INSTALLMENT ACCOUNTS outstanding at household appliance stores, which have declined steadily since September, 1941, increased slightly during December, and were in about the same volume as a year earlier. Furni-

ture store accounts receivable showed more than the customary seasonal expansion, and at the end of the month were six per cent larger than on December 31, 1944. At jewelry stores accounts outstanding increased by considerably more than the usual seasonal amount, and were about 1/10 larger than last year.

IN THE last twenty peacetime years, the value of residential building in the United States ranged from as much as 7.2 per cent of the national income in 1925 to as low as 1.4 per cent in 1933.

ATOMIC BOMB plant at Oakridge, Tenn., is called Happy Valley by workers, because, literally, nobody knows what the other fellow is doing. But the 59,000-acre project still is in production, with some sections avowedly working on harnessing atom power for industrial combustion. Scientists report a number of new substances now offer splittable atoms. Several field surveys are roaming the country to stake out deposits of newly discovered atom minerals. One celebrated scientist told the McMahon Committee in Senate: "We are making bombs and storing them."

THE TERM "collective bargaining" was first used in London in 1891 by Beatrice Webb and was promptly popularized in this country by Samuel Gompers of the AF of L.

COLLECTIONS on installment accounts at jewelry stores increased sharply, as is usual in December, resulting in a collection ratio of 45 per cent, 11 points higher than in November. December collections amounted to 25 per cent of installment accounts outstanding on the first of the month at furniture stores, and 48 per cent at household appliance stores. Both ratios continued above those for the corresponding month of 1944.

INCREASES IN sales volume over 1945 between now and Easter are forecast by most observers. Higher volume will be attained by increasing purchases in some lines to offset decreases in others, pushing rapid turn-over of stocks.

STATE MORTGAGE laws before the war varied greatly. In Virginia, Texas or Georgia it took only a few days to foreclose. In Illinois, however, foreclosure proceedings averaged over 18 months, and in Alabama more than two years.

ALL THE profits of distributing goods from producer to consumer amount to about three cents out of every consumer dollar.

FROM 1840 to 1929, the share of the United States in world trade rose from 8 per cent to 14 per cent, while the United Kingdom's share declined from 32 per cent to 14 per cent. Total world trade in the same period rose from \$2.8 billion to \$66.7 billion.

INSTALLMENT ACCOUNTS outstanding at department stores showed more than the customary seasonal increase in December, and were four per cent higher than a year ago. Collections on installment accounts rose slightly resulting in a collection ratio of 36 per cent, as compared with 37 per cent last year. Charge accounts outstanding increased by more than the usual seasonal amount, and were 13 per cent above the year-ago level. Collections on charge accounts showed a small increase during the month. Both cash and credit sales showed about the usual seasonal expansion from November to December. Installment sales gained slightly over the year-period, while charge-account sales rose 12 per cent.

WAGES AND salaries are the largest single cost element in retailing, usually accounting for around half of total operating costs.

Credit and Collection Procedure

CREDIT STATISTICS

FIGURES DO NOT LIE, but many of them are of no use even standing up. Some of them have no excuse for existence. There are numerous reports and statistics issued by credit departments which may not be of sufficient value to justify their distribution and preparation. If you have not examined the statistical information which your department is making up, it might be well to do so. Some of it might be eliminated altogether; a portion of it might be lessened in the number of transcriptions as disinterested persons or departments may be receiving reports. This is a timely opportunity to follow through the ultimate treatment and disposition of all reports emanating from the credit office.

Many executives have exceptionally large wastebaskets and use them freely. To find out if the reports serve any purpose, have them made up in the regular way and for a period of time stop routing them through some of the usual channels. In about two weeks you can be sure that the only reports which are of any value are the ones which are inquired about during this same period. If no one asks about them, their value may be considered doubtful.

Statistical information compiled by credit departments is helpful to other departments, but it may be possible to eliminate many complete statistical operations and take periodic test checkings to establish conclusions. Statistics which were valuable some time ago may be useless today, and statistics which are useful today may be valueless tomorrow. Certain overall information is unquestionably essential and is valuable on a comparative basis with previous years of operation, but it is safe to say that in quite a few cases there is a waste of time and effort in compiling information which is not used, information which has outlived its usefulness, data which need be taken only at stated times, and information routed to disinterested parties. Some reports are made on a "look-what-we-did basis," and may serve certain purposes. A report of this type shows up to greater advantage if it is made in the form of a semiannual or yearly review, instead of on a weekly or monthly basis. It might be profitable to look over this phase of your credit work, with a view toward giving better information to fewer people; with less effort.

There is no overall rule which can be made to fit every individual case. This precludes any positive recommendation of what to do and what not to do. A look into the reports that you are preparing and the use that is being made of them may prove very interesting. Try it. —Clarence E. Wolfinger, *Credit Manager*, Lit Brothers, Philadelphia, Pennsylvania. ★★★

WILL CALLS DISCONTINUED

BUFFUM'S, Long Beach, California, discontinued will calls approximately 3½ years ago. It required from November, 1942, to March 1, 1943, to work out all lay aways. Should a customer desire the lay away privilege, a representative of the Jean Page Service calls on the sales floor for merchandise and sales slip. She accompanies the customer to the credit office for interview. If entitled to credit, a charge account or a budget plan account is offered. Otherwise, merchandise is placed in special lay away and held for a period not exceeding five days. Payment of at least ½ is required, and when merchandise is called for the balance is paid to the credit office. A Hold and Will Call Release, shown below, is issued to the Merchandise Hold Department where the customer is interviewed and memo made of transactions which are followed up until cleared.

Lists of merchandise on hand are furnished the credit office Saturday of each week by the Merchandise Hold Department. This plan has resulted in a very satisfactory number of new accounts. As of the close of week July 30, 1945, there were 67 items open, and this number was reduced in the following five days to 28. Merchandise Hold Department is also used for credit transactions held for credit reports or completion of required down payment.

During the period of time this procedure has been in operation, it has served a good purpose, for with the scarcity of merchandise, we have to eliminate the large storage space which is usually required for a lay away department. It has also eliminated the usual handling of lay away merchandise, which, according to our experience, has increased the cost of merchandise sold on a lay away plan.—George V. H. Brown, *Credit Manager*, Buffum's, Long Beach, California, August 5, 1945. ★★★

HOLD & WILL CALL RELEASE

Purchased by _____							Date _____
Address _____							
C. O. D.	CHARGE	PAID	DEPT	HOLD	W. C. NO.	DEL. DATE	
Deliver To _____							
Address _____							
Information _____							
Article _____							

Editorially Speaking



The 32nd Annual Business Conference

WHAT SHOULD PROVE to be the most important business conference of the National Retail Credit Association will be held in Cleveland, Ohio, May 13, 14, 15 and 16, 1946.

A very interesting, inspirational, and informative program has been arranged for the general sessions each morning and the group meetings, representing practically all lines of retailing, will enable every delegate to discuss problems and interchange ideas peculiar to his own business.

In addition to the group meetings on Tuesday, Wednesday, and Thursday afternoons, there will be a credit clinic, or open forum, on Wednesday evening participated in by all delegates. A panel of eight to ten outstanding executives will answer questions prepared in advance, as a result of suggestions received from members, as well as questions from the floor. Every phase of retail credit will be discussed, and the program will include the following subjects:

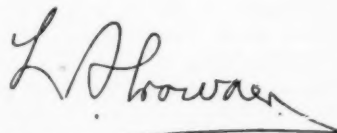
1. Better Letters.
2. Collections.
3. Consumer Credit Education.
4. Credit Control.
5. Credit Department Operating Costs.

6. Credit Sales Promotions.
7. Credit Schools.
8. Personnel Training and Relations.
9. Procedure.

Attendance at the 32nd Annual Business Conference should be a **MUST** on your program. It will afford you a splendid opportunity to discuss your problems with others in your line of business. It will also enable you to "rub elbows" and exchange ideas with many of the credit leaders of the United States and Canada.

Thirteen of the leading manufacturers will exhibit, at Cleveland, the latest in office appliances and equipment. This will give you firsthand information covering installations in some of the outstanding stores of the country, and demonstrations of appliances in which you will be interested. A visit to the booths of these exhibitors will pay dividends.

Impress upon your management the importance of your attendance at the conference, and send in your hotel reservation to William Hoffman, Chairman, Hotel Reservations Committee, Stearns Company, Cleveland, Ohio. **DO IT TODAY!**



L. S. CROWDER
General Manager-Treasurer.

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